

# Contemporary Review

incorporating THE FORTNIGHTLY

No. 1117 JANUARY 1959

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CONTEMPORARY REVIEW

46-47 CHANCERY LANE . LONDON W.C.2

## THE WORLD OVERSEAS

THE last quarter of 1958 was marked by intense political activity. Events of great importance took place simultaneously in all parts of the world. Looking back upon them at the close of the year I think it will be generally agreed that, while democracy has taken several severe knocks, international tension as a whole has been appreciably reduced.

No staunch believer in the universal ideal of representative institutions—government of the people by the people—can feel happy at the turn of affairs in Pakistan and the Sudan, where military rule has taken the place of elected parliaments, nor in the partial substitution of dictatorship for self-government in Burma, Indonesia and Thailand. Even if it be true, as is claimed by those who have seized power, that their intentions are praiseworthy, and that as soon as corruption has been stamped out constitutional safeguards will be restored, it is not at all certain that when the time comes they will find themselves able to live up to their own professions. Liberty is harder to restore than to take away. Power corrupts. Tomorrow never becomes today. There is not much that the rest of the world can do about it except perhaps to show by example that democratic institutions can be worked honestly and in good faith, and that a nation of free people can function not only as well as but far better than a servile state.

I have not included France in my criticism in the preceding paragraph because in form at any rate the French people still have democratic institutions, and they have shown in their recent elections on November 30 and December 6 that they prize those rights. Moreover de Gaulle, though placed in a position of almost extra-constitutional authority, has specifically disclaimed arbitrary power, and it is even whispered that he is not too pleased to have an elected Chamber so preponderatingly right wing, with many of the Deputies claiming to be "Gaullists." Nevertheless the fact remains that French politicians are under a cloud, and it does not look at the moment likely that the so-called "Fifth Republic" will have a long life and be able to solve successfully the Algerian and the many other problems which confront it.

Western Europe is in the throes of economic integration. Only a few years ago it would have been thought a foolish pipe-dream to imagine that France and Germany would put aside their thousand-year-old hostility to one another and knit their economic life into a union embracing also four other contiguous countries. Yet on the first of January of this year that marvel is actually being accomplished. Unfortunately up to the time of writing it has not been found possible to embrace in this union 11 other West-European countries including Great Britain. The painstaking efforts of Mr. Maudling to link up a so-called "Free Trade Area" with the six-country "Common Market" have proved so far abortive. It is easy to put all the blame on the French for this breakdown and to see in it a traditional distrust of "perfidious Albion." But to be honest it is not quite so simple as that. It never was an easy matter to fit in a country like ours, with its vast interests in, and loyalties to, the British Commonwealth, with a group of other countries which are continental; and there is some justification for the view that the British Government, at any rate in its first presentation of the case for a Free Trade Area, were contriving to give as little and take as much as they could. Be that as it may, the essential thing now



is to try to get some *modus vivendi* between the six and the 11, so that the final result may be a European partnership and not a new rift between the "ins" and the "outs" of an economic union.

While we are still thinking in terms of Europe and the NATO Powers, it is deplorable that no solution, not even a temporary working arrangement, is in sight for the problem of Cyprus. Unhappily assassinations and reprisals continue their blood-stained progress. The Assembly of the United Nations, confronted with this question, offered no sage advice, and the only slight ray of hope—provided at the end of the discussion—was the mutual agreement of Britain, Greece and Turkey to get together to try to reach a settlement. The United Nations accepted with relief this undertaking. Let us hope that something may come of it. But if this is to be so all the parties, including our own Government, must be prepared to make some concessions.

The conflict between the U.S.A. and China over Quemoy and the other off-shore islands has not found a settlement. But, if not solved, the problem has at least been shelved and the fighting has apparently died down. Meanwhile the foolish policy of the boycott of China continues, and every day drives the Chinese Government on to become more dependent on Russia and more determined on drastic control of its own people. As an object lesson in how not to prevent the growth of Communism it would be hard to beat.

The recent Congressional elections in the United States are not easily interpretable in British terms, because the line of cleavage between Republicans and Democrats is by no means coincident with differences of ideological outlook. Nevertheless there is ground for thinking that alongside a swing from the Republican to the Democratic party there is a shift towards the Liberal left away from the Conservative right both in domestic and foreign policy.

The alliance of Ghana and Guinea—a member of the British Commonwealth with an ex-French Colony—is a new phenomenon. Precisely how far it goes and whither it will lead are interesting fields for exploration. We are witnessing today in Africa developments of many kinds which would have astonished a previous generation. But properly handled there is no need to be afraid of them, still less to oppose them.

It is rather unusual for a full-blooded strike of workmen to be tacitly acquiesced in if not actively welcomed by the employing classes. Yet this has surely been the case with the dockers' protest strike against the ships flying "flags of convenience." The registration of ships that were really British (or which belonged to some other genuine maritime country) by their owners elsewhere in order to escape taxation and strict rules of service-conditions has long been a growing scandal, and was intensely resented by the owners of ships normally registered. It would appear that the strike though short-lived has already had considerable effect.

Finally I come to the issues between the West and the Soviet Union. Here an exceedingly important step forward has been taken. Following upon the agreement reached in July and August by the scientific experts from both sides of the Iron Curtain that detection of nuclear tests is fully possible, the political delegations met in Geneva at the end of October, and after 12 abortive attempts were able at the end of November to reach an

agreed resolution regarding the first and most important issues between them. The effective decision was that the agreement on the cessation of atomic and hydrogen weapon tests and the Protocol on the establishment of the control machinery should enter into force simultaneously.

This news is doubly encouraging. In the first place it is a genuine advance in itself and leads to the hope that, after prolonged further discussions in which concessions may have to be made by both sides, a full agreement for the termination of nuclear tests and ultimately for the abandonment of all nuclear weapons—coupled with a general reduction of all armaments—may be reached at Geneva. In the second place it suggests that Mr. Khrushchev is conscious that the Russian people are as anxious to avoid armed conflict as are the peoples of the Western world, and are prepared to give effect to that passionate longing in concrete terms.

Simultaneously with this forward step at Geneva Mr. Khrushchev has put forward another proposal which on the face of it may appear reasonable and even progressive but which has caused grave misgiving to thoughtful people. He has suggested that the present set-up in Berlin should be brought to an end, that all the armed forces on both sides should be withdrawn, and that Berlin should become a free city. Unfortunately if that were done it would leave Berlin an isolated enclave in the middle of East Germany, and it will be realized how precarious its tenure of freedom would be. The problem is a very difficult one. It all stems from the original unwise decision, attributed to President Roosevelt in the closing days of the war, to allow the Russians to advance into, and to hold, the territory of Germany up to some 80 miles west of the German capital. Nevertheless the present set-up in Berlin cannot remain for ever, and some day some solution must be found for the problem reasonably satisfactory to all parties.

PETHICK-LAWRENCE

### THE FRENCH ELECTIONS

**A**T the general election in November most constituencies voted as if they were renewing the decision given at the referendum two months before. Once more they "voted for de Gaulle." For many voters the election of a National Assembly and its party physiognomy was a secondary consideration. They could not clearly appreciate the importance of the composition of an Assembly called upon to play a new part in a Constitution of which they have as yet no practical experience. Two aspects of the contest showed, however, that Parliamentary considerations were not wholly disregarded. Heavy punishment was inflicted on the *personnel* of the late Assembly. Of the old Deputies who were candidates only 131 were re-elected. Prominent leaders like Mm. Laniel, Edgar Faure, Pineau, Mitterrand and even M. Lacoste—Lacoste of Algeria—were among the victims. M. Mendès-France, who was decisively beaten at the first ballot, was an exceptional case. He had been an active critic of the mismanagement of affairs during the late Legislature, but he had been a leader of the

"Noes" at the referendum. But the chief Parliamentary aspect of the election was the dead set made against the Communists, who were overwhelmed.

The sweeping invasion of "gaullism" dislocated the electoral procedure. The system of single-member constituencies with a double ballot has been criticized, and it is true that if parties had gained the number of seats strictly proportionate to their total poll the result of the election would have been very different. The second ballot is only useful when it permits coalitions between stable groups known and sufficiently nearly related in their political aims to appeal with assurance to their respective *clienteles*. On this basis electioneering experts calculated that the Socialists would obtain 100 seats, but they got only 42. In face of a tidal wave which floods a great part of the country the electoral system matters comparatively little. In fact, the effective coalitions at the second ballot were the anti-Communist combinations. The Communists, who polled 20 per cent of the total vote, obtained 10 seats. The Gaullists of the Union pour la Nouvelle Republique (U.N.R.), who polled 26 per cent, obtained 189.

General de Gaulle's hope of getting a representation of all tendencies in Algeria has failed, and it is commonly assumed that the 71 Algerian Deputies will make common cause with the U.N.R. With 260 votes at their disposal the U.N.R. will dominate the Assembly. The Conservative Independents number 133. The Radicals are crushed, and the Centre left altogether has only 35 deputies. The National Assembly therefore leans heavily to the Right, like the famous *bleu horizon* Chamber elected after the First World War. The U.N.R. is professedly Gaullist and was founded by M. Soustelle and other former lieutenants of the General in the R.P.F. But the vague appellation of gaullism is capable of widely different interpretations. U.N.R. candidates openly courted the "Yeses" of the referendum, attracting miscellaneous adherents—old Vichyists who have persuaded themselves that General de Gaulle has become a kind of Pétain, opportunist groups of the extreme Right, who probably profit by the Gaullist vogue with the hope of returning to their own political courses when occasion serves, and probably some of the floating votes which in 1956 went to the Poujadists, who at this election have disappeared from the Parliamentary scene. There is much speculation as to the possible evolution of the U.N.R. In the actual life of the National Assembly a party possessing such voting strength will tend to become dynamic, and the Prime Minister, though chosen by the President of the Republic, will be responsible to Parliament. In his own commentary on the result of the general election M. Soustelle said that in general voters had supported candidates who give the engagement that Algeria should remain French—a formula which, coming from a man who had his former relations with the Algiers movement, may imply a certain stiffness when the status of Algeria comes up for final decision. His references to home politics indicated a curious attitude. When Communism was in question, he said, there were in fact only two parties in France, the Communist party and the national party, though the national party might show within itself differences of tendency. When Parliament is brought to discuss political, economic and social problems in their day-to-day reality, this simple basis

of nationalism, and perhaps the cohesion of the U.N.R. itself, may be tested.

It is possible that General de Gaulle was, like most political observers, surprised by the election of a National Assembly with a majority almost ready-made to support a Government. In his conception the President of the Republic would be an arbiter between parties having their differences. This would have been his role if there were a sort of balanced Chamber, in which a strong Government, perhaps itself a coalition, was faced by a strong and active Opposition. The conception will no doubt be adapted to meet the actual situation. It is not regarded as likely that the President of the Republic will adopt the solution of himself governing through the intermediary of the Prime Minister. The difficulty inherent in the institution of a President exercising a certain share in guidance and a Prime Minister responsible to Parliament had been foreseen during the discussion of the new Constitution. Apart from all question of the text of the Constitution, these difficulties are not likely to be important at the beginning of the new régime and during the existence of a great majority favourable to General de Gaulle. The General has for months been exercising practically unlimited powers as Prime Minister. In Algeria, in international affairs and in legislative and administrative action in domestic matters he has taken the initiative or given final approbation to the policy or action of Ministers. He has incomparable knowledge of all the questions of the day. The President of the Republic presides at the Councils of Ministers, as did his predecessors of the Third and Fourth Republics. But it is obviously impossible that the General, with his prestige, his temperament and his recent activity as head of the Government, should play a passive part as figurehead at Councils of Ministers.

Since the departure of the last Parliament of the Fourth Republic in June there has been no National Assembly to advertise by its public debates the Government's activity in domestic politics. Even the preparation of the Budget for 1959 has remained in the hands of the Minister of Finance and the Ministers of the various spending departments, between whom General de Gaulle has acted as arbiter. One of the principal aims of M. Pinay, the Finance Minister, has been to seek a reduction of the deficit, which after certain compressions still remained at 900 milliards of francs for next year. It is the official intention to bring it down to 600 or 700 milliards, but the choice of ways and means is painful. A certain number of subsidies could be suppressed, but this would mean increases in railway fares and in the prices of milk, bread and coal. This would interfere with the recent measures to stabilize prices. Transfer of certain State investments to other sources of supply of money, or the dropping of the investments concerned seem to be under consideration. A third possibility is the increase in taxation. The resort to such recourse shows that France has not yet escaped from inflationist tendencies.

During his tour in Algeria early in December General de Gaulle examined schemes of industrial development, no doubt an instalment of the five-year plan announced at Constantine some time ago. He also concerned himself with the expected, but hitherto cautiously delayed, administrative reforms. The patient attention to economic development bears the mark of able policy during the period when the main political problem

remains in suspense. But the enterprise of General de Gaulle for the recovery of France still depends for its success on the settlement of the Algerian political problem.

Although the newly elected National Assembly will hold a brief debate on general politics when it is convoked in January to meet the new Government, it will not enter on its regular function until nearly the end of April. By that time France will have been governed for more than 10 months without Parliamentary intervention in its affairs. But neither the presence nor absence of Parliament, or the way in which the strangely composed National Assembly fits into the machinery of the Constitution, touches the fundamental problem of the future of French politics. The general election reflected a body politic in convulsion. It was a final demonstration of the fact that ever since the end of the war France has been re-making its body politic. The desperate instability of government has usually been attributed to the excessive number of parties. It is more properly explained by the fact that many of the parties are not really steady formations representing settled bodies of opinion. They have been created by successive impulses like the sudden expansion of Christian Socialism into the M.R.P. of 1945, the invasion of the R.P.F. in 1947, and the surprising success of Poujadism in 1956. In a body politic disordered by the defeat of 1940, enemy occupation, Vichy and Resistance a large floating vote necessarily made its appearance. The continued existence of the wandering vote was assured by the rise, the vogue and dispersion of the impulses which successively attracted it. One observer has already been asking himself whether the U.N.R. is a planet or a meteor.

The destiny of France is rapidly passing into the hands of a new generation, the men and women who were 12 years old in 1940. Since the war ended the birth-rate has, moreover, increased, and from being a "country of old men" France is becoming one of the countries with a predominantly young population. The new body politic will be founded on these new generations.

*Vernon, Eure, France.*

W. L. MIDDLETON

### THE THIRTEENTH ASSEMBLY

THE old League, which, of course, was predominantly European, was really like an exclusive club, Mr. F. H. Boland, Chairman of the Assembly's Trusteeship Committee, commented the other day. "Of course," he admitted, "the traditions of diplomacy were far more jealously guarded in those days. Then, again, the debates were not so frank as those we hear today in the United Nations. At the League there was a kind of tacit avoidance of basic issues—things which are now brought out into the open and discussed frankly in the General Assembly." Mr. Boland, who has made quite an impression at the Thirteenth Assembly as an able and, at times, witty spokesman of the standing committee which ushers "new" nations into the world, is by no means a newcomer to UN

affairs. As Ireland's Permanent Representative to the United Nations, following his appointment as Irish Ambassador in London before the War he served as head of the League of Nations sections of his Government's Department of External Affairs.

That things are now brought into the open and discussed so frankly—perhaps too frankly at times—has had the drawback during the recent Assembly of over-exposing disputed issues in the daily headlines and blanketing the amazing progress registered on less spectacular topics. Although this article is written before the Agenda for 1958 has been exhausted, this last Assembly has already to its credit a number of “firsts” which would, in themselves, mark important advances towards world law and international co-operation. As one observes the Assembly at work from year to year, the steady growth of a truly “parliamentary” procedure is unmistakable. One important element in this structural evolution is the fact that the Communist countries, who have recently become more intimately associated with the Specialized Agencies and thus have a stronger vested interest in what happens here at the centre, are being compelled to accept democratic procedures on a world level, which are providing all nations, whether democratic or not, with a new dimension in which to work together. Not enough has hitherto been said or thought about this basic trend. If it be true (as Maitland once remarked of the English experience) that substantive law is secreted in the interstices of procedure, then a form of world law is emerging along Manhattan's East River which certainly escaped the lively imagination of Karl Marx, but which may mean a great deal more to man's future than the trivialities and banalities displayed in today's popular scare-lines.

Another advance—although this cannot by any means be said to be unnoticed—is the change in the colour of the complexions of the delegates, compared, that is, with the old League days. The bare fact that, of the present 81 Member-Nations, the accessions to the original membership of 1945 amount to more than two-thirds from Asian and African countries, speaks for itself. Of the pending five “new” nations, which Mr. Boland's Committee is preparing for graduation in or around 1960, not one will bring a single white face to the world's parliament. In the lounges and corridors the realization grows in the minds of veteran attenders that at last the *human* race is here present—every clime and colour and, at times, clothing—instead of the “exclusive club” atmosphere of the European League. But it is not merely a question of colour; it is also a matter of brains. Some of the best speechmakers—Arthur Lall of India, for instance—not only outshine the European delegates from the point of view of oratorical and literary presentation, but even more from the philosophical depth and serious content of their speeches. The new ideas are coming from the new nations. The Cold War is already out of date, here on East River, and its stock phraseology is becoming more and more flat, dull, and boring.

Examples crowd in the whole time of small country initiative. For instance, one of the smallest and newest of them all, Ethiopia, put forward the other day, in a most graceful speech by Ato Haddis Alemayehou, the proposal that the Assembly should prohibit the use of nuclear weapons “as contrary to the laws of humanity.” Within a few days a dozen other



"neutral" nations were co-sponsors with Ethiopia of a draft resolution calling for a convention outlawing the use of such weapons as *illegal*.

The Czechoslovak delegation also took the lead, with an increasing backing of neutrals, in promoting what has become widely known as the Rapacki proposal for "disengagement," namely, the creation of a zone in central Europe which would be free of nuclear and rocket weapons. The plan stipulates that nuclear and rocket weapons are not to be produced, supplied, or stationed in the territories of Poland, Czechoslovakia, the German Democratic Republic and the Federal Republic of Germany, and likewise that the use of nuclear weapons against this region should be prohibited. "The proposal of the Polish People's Republic," the Czech delegate told the Assembly, "is entirely realistic and in harmony with the efforts of the United Nations to attain disarmament through the carrying out of partial measures."

Incidentally, looking back to Hugh Gaitskill's pronouncement over two years' ago, an identical plan to the Polish Foreign Minister's was accepted almost unanimously at Scarborough last October as a main electoral plank in Labour's foreign policy. For the first time, however, this radical approach to European resettlement has been fully debated (as Mr. Boland said) "openly and frankly," and a collective move made towards its implementation. Without the General Assembly none of this international reappraisal would have been thinkable.

More important, perhaps, from the psychological point of view is the fact that this Assembly has been discussing detailed ways and means for the suspension of tests, which, even last year, was treated as a naughty word. Moreover, the British and American delegations—though not the French, which has suddenly become astonishingly inflexible on nuclear questions—are now vying with the Soviet Union to give the "lead" in test suspension, at least for a year, only to be met with Russia's insistence on all or nothing. Again, it has been the smaller nations which have been seeking to bring together the new-style temporary and permanent test-banners on a compromise. Mexico and Sweden, for instance, have been wondering whether some period longer than the one-year ban proposed by the United States and the United Kingdom, and something shorter than the unconditional permanent ban of the Soviet bloc, could be devised so as to save both the nuclear rivals from themselves.

The urgency of this need was brought forceably home to the Assembly when M. Jules Moch asserted that, although France "ardently hopes never to possess a single atomic bomb," his Government nonetheless intends to proceed to testing as soon as its bombs are ready, and does not agree to be bound in advance by any agreement reached at Geneva this winter, but will decide her policy on nuclear testing "under conditions to be determined when the time comes." Thereupon Ghana's Minister of Labour, Ako-Adjei, addressed an appeal to the "conscience of France" not to carry out such tests in the Sahara or in any other part of Africa—a plea which was later endorsed by the other African representatives. "World public opinion does not believe," said Mr. Padilla Nervo of Mexico, a former President of the Assembly, "that nuclear weapons and the arms race can in any way guarantee the independence of small nations, the security of great nations, or the maintenance of international peace. World public



opinion knows that the only thing to which such races lead is the race to destruction."

In line with this apprehension, Mr. Unden, one of the UN's most experienced mediators, reported that Swedish technicians believe that they will shortly be able to manufacture smaller or so-called tactical atomic weapons; but, up to the present, the Government was not permitting them to do so, in spite of the fact that the Swedish Military Command had recommended that such preparations should go ahead. All the small and middle nations together then insisted on taking the whole disarmament question out of the hands of the long since moribund Disarmament Commission of the Nuclear Powers, and they appointed (over United States and United Kingdom protests) a permanent 81-nation Commission to sit on behalf of them all. Thus a new phase in the Great Debate has opened with the whole UN Assembly in virtually *permanent* session on this single issue.

Among the other "firsts" at this Assembly has been the full-dress discussion on "space" control which, strangely enough, has been initiated simultaneously from the Russian and the American sides. Though at the moment inconclusive, this gigantic new field of future technical achievement has passed under UN general supervision, together with India's imaginative proposals for the internationalization of Antarctica. In another related field the Assembly warmly approved the establishment of a World Administrative Service—largely the brain-child of Dag Hammarskjöld, whose prestige grows with each successive contribution that he makes to the "quiet diplomacy" of genuine peace-making. His personal standing was never more apparent than when, with the decision still left open, President Eisenhower's own proposal for the establishment of a permanent "peace force" came before the Assembly and was quietly turned down by Hammarskjöld himself in a speech that left no doubt in anybody's mind that he preferred to improvise his own corps, as he did in Sinai and Gaza, rather than have to negotiate a new deal when he knew that the Americans and the Russians would collide head on—and ruin everything. By contrast, the tediously inconclusive debates on the "unification" of Korea once again proved how not to make peace.

It was in the economic field that the Thirteenth Assembly showed most awareness and acumen. After seven years of seemingly fruitless debate, the Special United Nations Fund for Economic Development at last emerged from the Economic and Social Committee to join the very popular Expanded Programme of Technical Assistance to undeveloped countries. The British and American delegations told the Thirteenth Assembly for the first time that they would henceforth be prepared to invest the SUNFED way. How far this change of heart has resulted from the Russian "threat" to develop the undeveloped countries themselves—not least from the severe shock which the Americans recently received over the Aswan Dam—is of no great importance.

The UN has moved right into the centre of the world picture as far as the impoverished peoples are concerned. At the same time, excellent reports have been coming in of the first year's working of the International Atomic Energy Agency in Vienna, now handling the peaceful uses of atomic energy on an increasing scale; while the insistent pressure from all the other Agencies for bigger budget allocations has made it clear that the

heart of the UN beats no longer within the iron breastplate of the Security Council, but within the compassionate bosom of the Economic and Social Council. ECOSOC, in fact, has agreed in principle to enlarge its membership from the present too-Europeanized limit of 18, so as to bring in the advice and experience of both permanent and temporary newcomers from the other Continents. The permanent Economic Commission for Africa will be in operation early in 1959. ECOSOC hold its next session in Mexico in the Spring of 1959—yet a further instance of the steady movement away from European “domination.”

Naturally, the overall Assembly picture is not all bright. One of the darkest spots is the incorrigible intransigence of the Union of South Africa, in face of almost overwhelming votes year by year calling on that benighted country to bring its domestic policies into conformity with its Charter obligation to promote human rights, and expressing “regret and concern” that the South African Government had not yet responded to reiterated appeals of the General Assembly “that it reconsider governmental policies which impair the right of all racial groups to enjoy the same rights and fundamental freedoms.” (The last vote was 70 to five with four abstentions.) For several days on end a single white man, the Rev. Michael Scott, was cross-examined and pleaded before Mr. Boland’s 81-nations Trusteeship Committee for his dark-skinned brothers in South West Africa and for the millions of victims of *apartheid* which, in spite of world-wide revulsion, the Union has been adamant in pursuing. The Union’s willingness to make a “deal” with the Assembly, in the shape of the partition of South-West Africa, with the tacit blessing of the United Kingdom delegation, was rejected overwhelmingly, almost indignantly, by the Assembly. The United Kingdom was among the handful of votes supporting South Africa. Michael Scott’s personal intervention brought out, once again, the Assembly’s true function as a world forum at its highest point. For here, in the protection of human rights, the unrepresented are recognized and given a voice.

It is because something which approximates to a “parliamentary” system is growing up that men like Dag Hammarskjold, Ralph Bunche, Michael Scott and many smaller “names” which rarely get into the newspapers, can speak for the human race as a whole. It is this 81-plus factor which becomes more evident every year. It is because of this realizing that (to quote a passage from Dag Hammarskjold’s message to the Assembly), “in the 13 years that it has been available to governments the machinery of the United Nations has shown itself capable, more than once and in more ways than one, of narrowing the premises of war and conflict as well as broadening the base of harmonious action.”

*United Nations, New York.*

JAMES AVERY JOYCE.

## NASSER AND THE NILE

WHEN the British, at the beginning of 1956, made the Sudan independent, they were supposed to set up a parliamentary democracy in the place of the administration which was still carrying

on in the great Wingate tradition established at the beginning of the century. But in much of the Sudan voting has been rather a joke. In large districts of that immense area voters come to the booths stark naked. Unable to write, they select their man by pieces of coloured paper; if that is not varied enough, they choose a sign like a snake or a spear. Thus after due delegation they pick on the man to go to vote at Khartum where, as has recently been admitted, the system of government soon became hopelessly corrupt in the very area which had been the model of administration for the whole of Africa.

It was long questioned whether the abrupt change of government in Khartum which the coup of general Abboud secured was in favour of Nasser, or designed rather to outdo the party which at that moment was on the point of completing negotiations on Cairo with regard to Nasser's new plans for the high Dam, the plans which he was supposed to have put into effect with the help of a Russian loan. It was boasted that an intrigue in his favour had been circumvented. That boast, widely circulated by many protagonists of the Western Powers, receives no support from the pronouncements of the new Dictator. On the contrary he said that naturally one military régime would be on good terms with another. He added that for months there had been the gravest dissatisfaction with the corrupt government which had been in power, and that he was looking for an opportunity to end it. In every country of the Middle East there has been an urge to move back from the American ideal of democracy to the Turkish tradition of the Mamelukes where the responsibility and authority were in the hands of the army. That, however, did not mean a military absolutism, since the military administrators looked up in turn to the Ulema which provided them with a suzerainty of religion. The idea is familiar enough to those who read the history of Europe where for long the lay power was derived from the Church, and where the Pope still receives the title of "ruler of Kings and Princes." That these generals, whether in Egypt, in Syria, in Lebanon or the Sudan, are devout believers cannot be questioned; if they are, then the learned men who expound the Quran and apply it to present circumstances are the spiritual suzerains of the generals who bear rule.

This system was applied in Syria by the military dictators who seized power after the attempted war with Israel. Nasser himself was only continuing what they had begun. It is now approaching a year since Syria lost much of its identity by the merger its own leaders arranged to form the United Arab State. Nasser had not at first welcomed the proposal, and he has ample reason since to see that his reluctance was reasonable. This merger was not helped by the coup in Iraq, which drew closer together the merchants of Syria and those of Iraq who had been their clients from time immemorial and who were their immediate neighbours. Nor can it be said that he has gained much by his merger with the absolutism of the Yemen, where we have the paradox of an absolutist "King" coming to terms with the emissaries of Russia in order to press his claims against the British and their Protectorate at Aden.

Though Nasser is often described as the friend of Russia or her victim, and though the Afro-Asian solidarity Council is really an agency of Bolshevism inaugurated in December, 1957, at Cairo to work for revolution

in every country of the two darker Continents, Communism is barred in Egypt and Nasser shows signs ever again of wanting to be free from the wiles and toils of Russia. From time to time a Communist is clapped into a Cairo prison. Those who distrust him say that he thus secures a double coup: he calls an enemy a Communist, and while he imprisons him boasts that he is at the same time acting contrary to the agents of Moscow. It is now well over two years since Cairo and London broke off diplomatic relations and have transacted pressing business through the Government of India and its agents. It is the High Commissioner of India in London who issues passports for the United Arab Republic. British trade is at a long standstill in the valley of the Nile where it flourished for close on a hundred years. But though there is one Government for Cairo and Damascus there are no obstacles to British trade in the Levant: Syria gives what the Lebanon gives and the Bank of the Middle East carries on its normal work.

Though France and Britain are officially debarred from Egypt, both countries obtain from unofficial channels better information than ever before in two reliable books, one by the Beirut Correspondent of the *Economist* and the *Observer*, Mr. Tom Little, who was at work in Cairo at the time of the Suez coup, the other from Jean and Simone Lacouture, a pair who have been busy for years as French journalists in Egypt. Their book, published in Paris in 1956, has now appeared in English which, though fluent and almost always correct, betrays a change of emphasis from the original. The tone about Nasser is distinctly less enthusiastic, the note of warning clearer. But both books, like that of Mr. Desmond Stewart, are distinctly favourable to the Big man of Egypt, paying tributes both to his sincerity and his achievement. All three are uncompromising in their utterance about what happened with regard to the Canal. Nasser broke no international agreement; neither Britain, France nor Israel were justified (whatever Mr. Macmillan chose to say on June 11 in Washington) in their armed attack on Egypt—the attack which, while it had the aim of saving the Canal and smashing Nasser, saved him and smashed the canal. It is disturbing to find that two years after that blunder, a blunder denounced with almost equal force in Delhi, Ottawa, Bonn as in Baghdad, there were no regular diplomatic relations between Great Britain and the United Arab Republic which enjoys so much esteem in the Middle East as a sort of fulcrum of Arab unity.

This esteem and the wide admiration of the Egyptian ruler do not mean that the whole Arab world is on the point of federation. Each prefers to go his own way. So long as Nasser does more trade with Russia than with the Western powers he will be suspected by leading Arabs of being in the Russian net which the Moslem in general is determined to escape. The Lacoutures show that what Nasser gained in sudden prestige from his Suez coup he lost in forfeiting the confidence and backing of the West and its finance. He might indeed have become very unpopular if it were not that armed attack from Paris and London was joined with that of Israel—the push of all three being as sharply denounced by the United Nations as by the Arab League. Apart from questions of either Nasser or the Nile, it is possible if at that moment the attention of the world had not been distracted from the Russian savagery in Hungary by an issue which

involved the Arab world and its oil, the concentration of a whole world protest on the tyranny in Hungary might have caused even the Moscow of Khrushchev to see that to alienate the opinion of the whole world was too costly. As it was, one just indignation was strangled by another.

How much is Nasser achieving, how much can he hope to achieve? None can ignore the account given by Mr. Little or by this gifted French pair. At the root of these questions is the vast increase of population (already more than 1,500,000 when Nasser assumed power) and densest of all in the poor quarters of Cairo. Can he feed it, and if so, for how long? That is a problem not only for him but for the Western Powers, for if the strain is too great so much the more sinister will be the opportunities of Russia. The whole question of the Bandung powers is that of immense and increasing populations finding that their resources are not increasing but diminishing, the tragic situation with which Mlle. Tillion dealt in her book "Algeria: the Realities." The terrible truth is that the better modern enterprise copes with the old diseases which debilitate the Arab peoples, and most of all the Egyptians, so much the more pressing is the increase of population and the resulting hunger and despair.

Bilharzia debilitates no less than 80 per cent. Less prevalent but more acute is the infection in the soil: ankylostomiasis. After these follow malaria and ophthalmia. Nasser has spoken brave words about them, but how can he cope with the fact that the Nile which brings life to Egypt, brings also this fatal germ? Thus what plans can he have for the increase that must surely follow any improvement in health and nourishment? Even were he able to build his high Dam, he would find, as every builder, of a canal in India has found, that the swift rise in population had within a few years presented problems even more acute than before.

And yet Cairo with its 2,600,000 inhabitants, its wealth, its modernness, its centres of learning and all it has gained from centuries of intercourse with Europe, is the great luminary of the Arab world. It is no use attempting to deny that in Nasser it has a ruler both more conscientious and more subtle than any other in the world called Arab, and one with whom, sooner we hope rather than later, the West will see that it has to negotiate. Without him things would be more dangerous than they are. On this point Mr. Little rightly insists.

New books, each in its way excellent:

*Egypt*. By Tom Little. Ernest Benn. 30s.

*Egypt in Transition*. By J. and S. Lacouture. Methuen. 35s.

*Modern Egypt*. By Desmond Stewart. Wingate. 18s.

ROBERT SENCOURT.

### THE REPUBLICAN ISSUE IN SOUTH AFRICA

THE statement made by Dr. D. F. Malan on the occasion of his birthday is interesting, since he remarked that "as a member of the Commonwealth, South Africa is not linked or in any way tied to Britain. Nor is it linked to any other State. It is linked with the whole Commonwealth, considered as an entity and as a community of Nations." These remarks of a former Prime Minister clearly show that South Africa already has nationhood and is not subservient to Britain or any other

nation. What then is to be gained by a Republic? The only argument of the Nationalists is that it will make for national unity. The reverse is more likely, for it is impossible to expect the English-speaking people to forget their heritage and traditions any more than the Afrikaner would be expected to forget the Voortrekkers and their historic past. We owe it to ourselves as South African citizens, whatever our political faith, to consider what is best for our country. We must weigh the advantages and disadvantages, free from political platitudes, in a logical manner, deciding what is most advantageous to us as individuals, whether our welfare and standard of living would benefit, and what security would be provided for our children and future generations of South Africans.

It is difficult to assess the advantages of a Republic as it is hypothetical, and the political protagonists have yet to give an up-to-date constitution upon which the people can form an opinion. The pattern available is the draft constitution of January 23, 1942, which has the blessing of the present oligarchy and provides no place for the English-speaking people. If this draft constitution of 1942 is the corner-stone on which a republic is to be founded, it is hardly likely to promote racial harmony. We must, therefore, assess our future in the light of our existing form of government, and consider the benefits the country derives from its membership of the British Commonwealth. We must examine our economy, that is to say the markets where we sell our goods and the countries that provide us with technical knowledge and capital. We must decide who are our friends in this hostile world and who would provide us with a measure of military security. We must consider whether, under a Republic, our economy will deteriorate and if our spending power will be maintained.

Our membership of the Commonwealth is very much to our economic advantage. Our economy rests on three basic elements: gold mining, secondary industry, and agriculture. British capital has played a decisive role in the development of the Transvaal and Free State gold mines. In recent years British capital has contributed substantially towards the cost of the various Uranium plants, and continues to play an important part in developing secondary industry. How much inflow there has been is difficult to gauge, but it must be enormous if one considers the famous trade names now engaged in manufacture. While British capital may not have played a direct part in developing agriculture it must be remembered that the United Kingdom is by far the greatest buyer of our agricultural products. The table below shows the principal destination of merchandise exports, excluding re-exports and gold during 1955 and 1956:

Country of destination	1955		1956	
	Value of exports £ million	% of total Union exports	Value of exports £ million	% of total Union exports
United Kingdom ... ..	102.1	31.2	108.7	29.7
Federation of Rhodesia and Nyasaland ... ..	49.1	15.0	54.9	15.0
United States ... ..	26.6	8.1	29.0	7.9
Belgium ... ..	16.9	5.2	21.6	5.9
Germany ... ..	16.1	4.9	18.2	5.0
France ... ..	12.7	3.9	15.5	4.2
Italy ... ..	15.3	4.7	16.8	4.6
Netherlands ... ..	9.3	2.8	9.5	2.6
Japan ... ..	5.4	1.6	8.4	2.3



Thus the United Kingdom is our most important customer, taking a little less than 30 per cent of all South African exports in 1956 and rather more than 31 per cent the year before. A very large proportion of our exports, other than gold, is made up with pastoral products such as fruit, wool, sugar, wines, skins, wattle extract, etc. Many of these enjoy the benefits of Commonwealth preference, a very valuable concession. The removal of these preferences, so long as other imports were freely reaching the UK market, would be a severe—if not a fatal—blow to our domestic economy, and particularly to the producers directly concerned. In the case of sugar producers enjoy under the Commonwealth Sugar Agreement a negotiated export price of £32 13s. 5d. per ton against a local price of £25 5s. 3d. per ton. The UK took in 1956 no less than 141,689 long tons out of a total amount exported to 180,813 tons. These facts speak for themselves. Are we going to quarrel with our best customer? Should we jeopardise the benefits of Commonwealth preference and endanger the livelihood of our fruit farmers and others? All this is at stake for an unproved Nationalist Broederbond ideology.

Again little thought has been given to the security provided by the Commonwealth link. The attitude of India and other nations of the East would be very different if South Africa were an insignificant republic. The latest military technique would be withheld. Our senior officers would be denied the military training now open to them at Camberley. Our diplomats derive considerable prestige by being under the aegis of the Union Jack. As a republic we would be on the lowest level in the councils of the nations.

Is it not wiser to count our blessings and accept the Crown as a symbol of Commonwealth unity, and thus remain loyal to our sister Dominions and go forward in a state of solid collective prosperity?

Since the election results were issued, the Nationalist Government have placed the Republican issue high on their list of priorities. No constitution has been published and no argument in favour of a Republic bears close examination. The Nationalists merely appeal to emotion and state that it will unite the people. The Government represent barely 50 per cent of the electorate yet hold two-thirds of the seats in Parliament. This has been achieved by the unscrupulous use of an Act designed for conditions prevailing nearly 50 years ago. It has given Nationalists two votes to every vote of the Opposition. In other words, the Opposition are virtually without a vote and have no effective say in public affairs. Since the majority of the opposition are of British origin, they find themselves in a position similar to their forbears in the old Transvaal Republic, known then as "Uitlanders," who were without political rights and State education though they provided nearly all the taxation. As conditions today are very similar to those which led up to the Boer War, it is most unlikely that racial unity will be brought about by the aggrandizement of the one race and the humiliation of the other.

In appreciating the plight of the English-speaking people in South Africa, it must be realized that they have made a tremendous contribution to its cultural and economic welfare. Not only did British capital assist in the development of the gold mines, but in the early days the men who worked in them came from Cornwall and other parts of the British Isles.



The great manufacturing houses of Great Britain have their counterpart here, bringing with them skilled immigrants with technical knowledge. The descendants of the early 1820 settlers are spread all over South Africa and have played no small part in the development of agriculture. At all times the English-speaking South African has remained loyal to the Union and they were the first to come forward to the defence of South Africa and the Commonwealth in two world wars. What is to be the future of these Britishers who have played their part in the development of overseas trade and industry, bringing great economic benefit to both Great Britain and South Africa? Outnumbered by a race becoming more and more hostile and steadily but diabolically being indoctrinated with Nazi ideology, they have little hope of regaining political equality. The advent of a Republic would worsen this position, and the link of security granted by Commonwealth ties would be swept away. Another Boer War to regain these rights would be unthinkable, but it is only natural that Britishers in South Africa should look to their own kith and kin in other parts of the Commonwealth to come to their assistance and bring pressure to bear in the councils of the nations. The people of Great Britain and elsewhere should realize that the trade relationship build-up with South Africa has come about through many men of British stock who had vision and enterprise. Industry in Great Britain has benefited by British South African business acumen. The sons of these pioneers must not be forgotten. They are still playing their part to keep the British way of life alive. Britishers, wherever they may be, must never allow them, through lack of support, to be subservient to anyone. The lights of democracy are slowly going out in South Africa. Britons in that country and their compatriots throughout the world must stand together and see to it that they never never shall be slaves.

In our resistance we must employ accepted constitutional methods, so long as these remain open to us and any possibility of success remains. These constitutional methods include normal political action to bring about a change of government, and the dissemination of propaganda against a republic and the measures by which the Nationalist Government is preparing its advent. The former is the role of the Opposition Political Parties and in this the Anti-Republican League, as a non-party organization, can take no active part; in the dissemination of anti-republican propaganda, however, the League has an important contribution to make which, so far from hampering the efforts of political parties, must inevitably strengthen them.

#### COVENANT

of the

#### NATAL ANTI-REPUBLICAN LEAGUE

Being convinced in our consciences that a republic would be disastrous to the spiritual and material welfare of Natal, as well as of the rest of South Africa, subversive of our freedom, and destructive of our citizenship, we, whose names are underwritten, men and women of Natal, loyal citizens of the Union of South Africa, and loyal subjects of Her Gracious Majesty Queen Elizabeth the Second, do hereby pledge ourselves in solemn covenant throughout this our time of threatened calamity to stand by one another in defending for ourselves and our children the cherished position as citizens

of a free and self-governing dominion under the Crown and in using all means that may be found possible and necessary to defeat the present intention to set up a republic in South Africa.

And in the event of a republic being established over us, save with the free will and consent of the people of Natal, expressed by means of a Separate Referendum, we further solemnly and mutually pledge ourselves to refuse to recognize its authority. In sure confidence that God will defend the right we hereto subscribe our names. GOD SAVE THE QUEEN.

*Claridge, Natal.*

H. NOEL ROBERTS.

### KING GEORGE VI

MR. WHEELER-BENNETT deserves the chorus of praise which has greeted his biography of the best loved of our kings.\* Though 60s. is a high price for private pockets, it is not at all too much for a handsome and richly illustrated volume of nearly 900 pages which should find a place in every public library at home and throughout the British Commonwealth. Readers of his previous works on contemporary history are aware of his wide knowledge and steady judgment, and his latest book will increase his reputation. The narrative is clear, the central figure stands out boldly, and interest never flags. The whole crowded and anxious period comes to life with the aid of the ruler's copious diaries and correspondence with his Prime Ministers and his mother. The book ranks with Sir Harold Nicolson's biography of George V as a key to our system of constitutional monarchy in which, to quote the familiar phrase invented by Thiers, "the king reigns but does not govern."

The surprise of the early chapters is the revelation of the unhappy childhood and adolescence. His stammer turned his innate humility into a distressful inferiority complex which lasted till he found peace, happiness and understanding in a wife who gave him, not only the love of which he had been stinted by his parents, but the self-confidence which enabled him to make a success of his life and reign. "For me," he wrote to his eldest daughter, "she is the most wonderful woman in the world." With her at his side in sunshine and in storm, in sickness and in health, he left the Monarchy stronger than he found it at a time when thrones were shaking or toppling all over the Continent.

The scene widens from biography to full-scale history with the chapter on the reign of Edward VIII. To his subjects and the world the abdication came as a surprise, to his brother almost as a stroke of doom. He had been trained in the Navy and had won wide popular affection by his work in his boys' camps, but in politics he was utterly inexperienced and justly complained that he had never been allowed to see a state paper. Happily his assets outweighed his disabilities. "Common sense and human understanding," writes Mr. Wheeler-Bennett, "great personal integrity combined with a deep humility, a keen sense of public service, physical and moral

\**King George VI: His Life and Reign.* By John W. Wheeler-Bennett Macmillan 60s.

courage above the ordinary, and a sincere recognition of dependence on the grace and guidance of Almighty God, were the outstanding qualities which King George VI brought to his high office. As always it was to his wife that he turned for comfort and support, and, as always, they were abundantly forthcoming." *Le roi malgré lui* quickly found his feet and played his part with high courage, unresting industry and selfless devotion to the end of his days. Part of the interest of the story is the revelation how hard even the most constitutional ruler has to work. He followed all the moves on the political chess-board, discussed them with his Ministers, and read the verbatim reports of important debates in *Hansard*.

No one is a better judge of the moral and intellectual qualities of the sovereign than the Prime Ministers who see him at close quarters and share with him their problems, anxieties and aspirations. It speaks well for George VI, as for his chief servants, that his relations with Chamberlain, Churchill and Attlee ripened from mutual respect into trust and affection. While never attempting to impose his views on issues of policy or appointments to high office, he never concealed them, and—standing above party strife—they were never resented. No one could have been a more ardent supporter of Chamberlain's well-intentioned but futile attempts at appeasement, and he grieved at what he considered his undeserved downfall. He quickly learned to value Churchill's incomparable leadership, and during the gravest crisis in our history neither of them lost his nerve. Sharing the dangers of the blitz, narrowly escaping with their lives from a bomb in the courtyard of Buckingham Palace, and bringing sympathy and encouragement to the stricken areas, the sovereigns identified themselves with their subjects in an unprecedented degree, for the ordeal of the First World War was less severe in the homeland though far more costly in life abroad. Both had their days of gnawing anxiety and their fleeting hours of gloom, but their confidence in ultimate victory never waned. The Prime Minister, though 20 years older, weathered the storm physically far better than the King who never fully recovered from the prolonged strain.

The sweeping victory of Labour in 1945 was not merely a surprise but also something of a shock to the monarch who had come to rely on the long experience and resource of the superman at his side. The blow was cushioned by the good feeling, the quiet manners, the tact and instinctive moderation of the new Premier, already known and trusted from his long service in the Coalition Government. That the ruler should fear that the Attlee Government might be tempted to drive the ship of state a little too fast through dangerous waters was natural, but such apprehensions as he expressed never caused friction. No one was more convinced of the sturdy patriotism of the common man in Great Britain, and he could face the future without undue alarm. That the end of the war was not followed by sunny skies was a source of profound disappointment to a man of his sensitive nature, and his letters are sometimes tinged with gloom. Anxieties proved harder to bear with the stealthy onset of ill-health, and the closing pages tell a sad tale of a rearguard fight borne with courage and patience. Fresh trials, national and personal, were matched by the surpassing happiness of his family life and his pride as his eldest daughter grew to womanhood and gave him grandchildren. With the Monarchy firmly anchored

in the hearts of the people, the succession assured, and the blessings of ordered liberty intact, he walked with death, in Churchill's phrase, and was not afraid.

The chapter entitled "The King and the Man" adds details to the portrait of what Mr. Wheeler-Bennett describes as an uncomplicated nature, essentially a country gentleman. Royalties live in glass houses, but he had nothing to hide since he never thought of himself. Apart from shooting and freemasonry he had no hobbies and few intellectual pursuits. His work and his family filled his thoughts and he needed nothing more. Foreign travel and frequent change, which had meant so much to his grandfather and his elder brother, had no attraction for the man who was happiest at home. He was most loved by those who knew him best. Next to the unflinching sense of duty which shaped his life his finest quality was his deep humanity. In the touching tribute of his widow he cared for all his subjects—"every one of you." "A great Christian gentleman" is his biographer's verdict, and readers are likely to agree that it is well deserved.

G. P. GOOCH.

### HOMAGE TO E. M. FORSTER

E. M. FORSTER's latest work, *Marianne Thornton*, besides being one of his most delightful, reaffirms a motif operative in his novels, of continuity and renewal rooted in the life of nature and of family. Through his great-aunt's biography he resumed the first of the three formation points in his development—the heritage of the Clapham Sect. Intense vigilance for conduct, for motives, reformatory social concerns, a certain seriousness or pride of intellect. Then Cambridge gave "the now which is eternal," its Bloomsbury wing agnosticism, the liberal bias of his ethics, a taste for analysing character; manners were preferred to conventions and both were best fused with gaiety. In the background was his native Hertfordshire, embodied in the novels as a conviction that rejuvenation lies in landscape; England is invincible if she keeps faith with the springs of being. Thus Wiltshire in the *The Longest Journey* is a chalk backbone, the heart of England pulsing with history.

Throughout his eighty years, which we acclaim this month, E. M. Forster has kept before him the ideal of the "yeoman," who may indeed be a landed squire, but is more likely to be anyone who recognises value and tries to practise it; an aristocracy not of wealth or success but of "the sensitive, the considerate and the plucky." These new aristocrats have not journeyed through a fiery furnace of suffering to emerge shining; they aim to avoid it. Wit is the humanist's device to expose himself to tension, conflict, suffering and at the same time to subjugate it; irony, the advance guard, the shock troops of the intelligence is a regulator of vital tensions; it transforms them into sane and fruitful acts. And Forster has achieved his comedy of manners with its multiplicity of character and situation

almost light-heartedly, with tolerance and humour, without an inch yielded to pomposity, pedagogy or moral imperialism.

Hence we find no "dynamic" persons in Mr. Forster's art. He reveals the worth of the *insignificant* seen by a humane paradox to be the truly excellent. Miss Avery, the odd, idiosyncratic type who guards Howard's End; Ansell the bluff scholar, whose ignorance of life leads to a courageous innocence of creative action; the disillusioned Mrs. Moore, who yet had intuitive sympathy, who after years of living in fixed limits was humbled by a sense of variousness and possibility, and found the courage to adventure and renounce. All are "based," grounded, in communion, without being demonstrative about it. The Marabar Caves (the controversial nature of which is, in itself, a guarantee of their infinite suggestiveness) seem to exemplify this ambivalent power of nature both to stabilise and mystify, to confront man with the promise of nothingness and yet inspire him to live.

Forster's affirmation of the possibility of decent social living in spite, and because of, the obduracy of circumstances is what strikes home in *A Passage to India*, a classic acclaimed by all critical schools and transcending all literary politics. The moral hypotheses of the English novels are here tested in a racial dimension. Fielding is a kind of "civilised" new picaresque hero, relevant and positive for modern times; he has the same slightly raffish detachment, offset by self-effacing, cynically observant concern, his lips hovering between a wisecrack and a moralism, as the humanistic heroes of Proust, Mann and Gide. He is fully created, exposed to experience, committed to the people he meets, the action he inspires, the philosophical hares that he starts. Solid, yet apt to be mobile, potential, adaptable. Immersed in India without roots, with an "odd" background of breakaway and renewal, a penchant for "travelling light," he is more ready for life, saner (closely related to humaner) in an agitation, better armed for insight than anyone in the Officer's Club where he is made an outsider. His creative relationship with Aziz sustained through all the alarms and excursions of a most complex plot is a masterly piece of character analysis and as a study in inter-racial psychology matchless.

Forster's racial knack is balanced by major skill in managing class differences at home. Different habits do reflect different values, conflicts about what should be defended and promoted: Forster does not let us forget it. He judges the individual before the bar of his own prerequisites for civilised life, and the jury (who are often popped into the dock, nor always acquitted) usually turn out to be the middle classes. Apart from the Bast sub-plot, it is remarkable that the conflict in *Howard's End* between the Schlegel world of taste, ideas, art and the Wilcox world of business, "telegrams and anger" is within the same social group, nor is this due mainly to inexperience of any other group, but to a recognition that upon the perpetually shifting, agitating, self-conscious middle class the excellence or decadence of civilised living depends.

Like Gide, Forster always offers an alternative to what he condemns, just as his art as a whole—its sudden epiphanies of order, harmony and well-being—is a living example of what he recommends. The contrasts may be obvious as when the "vital mess" of Gino's *casa* is set against sterile, tidy Sawston, its gospel of work and "suburban Jehovah," or subtle,

when Miss Avery brings out into the garden the sword, agent of Leonard's death, at once a lethal weapon and the Sword of the Spirit. A complexity of purpose, an intricacy of reaction in Forster's characters naturally conjures the most refreshing variations of mood; for all are creatures of paradox, eligible for salvation.

His appreciation of music is perhaps the key to Mr. Forster's art. For Thomas Mann music is the food of love—or death; for Proust a refined aesthetic feeling, steeped in nostalgia, heralding the absolute. For Forster it is symmetry of design. His fictions are not mere narratives droning on with a story and characters. Like a symphony they distil an effect of simultaneity, of total organic significance; the values selected, verified and deployed in the action are there once and for all, they cannot be abstracted; reading these works we are not just passing the time for something is being established in us and in time; without the slightest ostentation the author is *creating* the enjoyment, the enlightenment he aims to justify through the action. Although music, an important element in his Platonism, is wonderfully evoked in the Beethoven Fifth Symphony chapter of *Howard's End*, it is in the *montage* of his novels that Forster chiefly applies his knowledge of musical structure. Informal, spontaneous, idiomatically alive, yet apt to barb an epigram—the inherited puritan chill—to deflate those who refuse to See the agnostic Light, the immediate address, colloquial diction and racy syntactical mode of Forster's prose has nothing to do with musical "sound." His music is a rational force: it is concerned with organization to stabilise the plot and unite the multiplicity of themes. If there is a hierarchy of values, a moral scheme in Mr. Forster's work this is because of its intellectual plan, its refusal to dissolve naturalistic in purely sensational modes.

The myth of Forster the Retiring Don (an incarnation of his own Rickie Elliott) collapses over *Abinger Harvest* and *Two Cheers for Democracy* ("only Love the Beloved Republic deserves three") where he has mounted a body of social criticism which in penetration, range and relevance is second only to that of Koestler and Orwell. It is feeling, conduct, personal relations—qualities threatened by bad political situations—which exercise his sensibility. *Abinger* is satirical, *Two Cheers* more radically serious; the first six essays in the "What I Believe" section are of the highest importance, proving that he has anticipated that it is not a question of taking sides but of adjusting oneself in some serious way to the rise of technocracy which may paralyse any creative enterprise at all. The Great Abstinence (no novels since 1924) has been filled with lecturing. European causes, journalism, campaigns for intellectual freedom, and what can only be described as acts of a sort of humanist personal piety, the lives of Lowes Dickinson and Marianne Thornton. And the amazing thing about Mr. Forster is that his silence is resonant: he makes his comment, raises his standard so unobtrusively, without trumpet blowing. There he stands, with a whimsical smile at the crazy party, with a pin held innocently between forefinger and thumb, and suddenly the balloons of pompous cant, hypocrisy and edification go bang, deflated before our eyes. "We must love one another or die"—he lights on by instinct and extracts from W. H. Auden. With his roots going back before the 1914 war he overshadows, like a great oak, the flurried decades and transcends streams of literary



movements. His ideal hero, embodied in the yeoman figure, has ever been "the union of the prose with the passion."

Mr. Forster is a gentleman of letters. I make no apology for this phrase, which has a perfectly clear and definable meaning. It implies a man for whom good writing has become a morality; to whom interest in art and ideas is a way of life rather than a career; who endures unpleasantness without losing his temper, but passes judgments which are just; who enjoys himself without ostentation; and who, when the time comes, speaks out with a natural authority which engages, but never compels, our respect; and all this is animated by Mr. Forster's splendid sense of humour. Granted these goods, Mr. Forster's longevity becomes itself a virtue, and affirms that liberal values may survive and triumph. For these reasons I believe that Forster is not only a gentleman of letters, but also a great man.

FREDERICK GRUBB.

## THE WOMEN OF INDIA

**A** FACT commonly spoken about is the neglect of the education of Indian women. This is, generally speaking, true, but it is also true of the general mass of the population of India as well. Even now, only about 4 per cent of the women and 16 per cent of the men are literate; and when one remembers that it was not until after the last war that the University of Cambridge granted full academic rights to women, and the very formidable difficulties which women have had, in the past 50 years, to surmount in order to achieve even this reluctant recognition, the causes which resulted in the comparative illiteracy of the women of India appear to be grounded in human, and male, nature rather than in anything peculiarly Indian. In spite of all this, however, in my own community—Tamil—of twenty million, which has a literature as old as Sanskrit, one of our most famous classical writers, Avvalyar, was a woman. Her works are published by the Oxford University Press with English notes. I mention this merely to indicate a possibility, in the absence of any definite historical record, that before the unfortunate period of internal wars and foreign conquests things were, perhaps, not quite so bad as they were before India got her independence. The women of India have, at any rate, eminent historical examples to stimulate and inspire them, and this is no small influence in a people to whom even now the past is such a living reality as those of the Orient. This may also serve to explain why the girls of my country have so readily, and with such success, taken to education once they were given the opportunity in recent years.

Regarding the rights of women, it is no doubt true that one branch of Hindu law penalises the woman in the matter of her rights to property. There is another branch, however, which does not do so, but makes her the pivot of succession to property. In the comparatively small com-



munity to which I belong, mainly Hindu up to present day, and entirely so until about 112 years ago, the woman is not only the sole owner of her own inherited property, but she is also the owner to the extent of half the property of her husband, whether inherited or acquired by him; and when one remembers how ancient this provision is, and how gradually and recently the women of Europe have been progressing towards the goal of equal rights, the fact is not without its significance.

By far the most deplorable feature in our social system was polygamy, but this has now been prohibited by law. Although the number of persons who took advantage of it was comparatively small on the whole, and public opinion was definitely against it except under very special circumstances, the fact that it existed at all was a moral evil of no small magnitude. Hindu law, until recent years, knew no divorce, and that was the chief contributing cause both to this evil and, if anything, the more tragic one of child-widows. Previously, no woman could marry a second time, and even now, there are certain communities where a widow can re-marry only on the condition that her children are given up to the care of the State, so that she no longer has them with her. The idea, in the olden days, was that once a woman was married, it had to last forever, whether the husband was dead or alive. Now, however, things are quite different, and as a matter of fact, even before the change came about, people of the humbler classes did have recourse to informal divorces and to the re-marriage of widows and divorced wives.

It is only the influence of Christian institutions, which are mainly responsible for monogamous marriages in Europe, which have cured this evil in India. Even in Europe, however, the old inequality in the law of divorce—unfaithfulness alone in the case of the wife, but cruelty as well in the case of the husband—coupled with the cost and delay of divorce proceedings, have resulted in the evil of undivorced couples living apart, and unmarried couples living together. Basic human nature, rather than any national peculiarity, seems to be at the bottom of these grave evils. And if it is as fundamental as this, it is only personal religion, as wholly determining our attitude towards life and towards our fellow-beings, which can give us any hope of abolishing it.

I have often been asked how far the average wife in India is able to share in the life of her husband. In connection with the answer to this question one must remember that no less than 80 per cent of the people of India have always been, and are to this day, farmers living in villages. This is true of the whole of India, as is also the fact that only a small percentage of our population can read or write. In the home of such a farmer no books or newspapers are read, and there are no public places of entertainment, in the European sense, near the home, to which to go. There will be a school for vernacular education, and a few small shops for such household articles and groceries are in daily demand. There is sure to be a weekly market in the village or in the neighbourhood which satisfies more important needs. The nearest Hindu temple might be some miles distant, but as most Hindus have their shrines and worship in their homes, visits to the temple are few and far between, so that the distance is no inconvenience.

The woman of the house herself goes to the market to make the more important purchases. Occasionally, when the harvest has been safely

gathered in and the hot weather season imposes a break in operations on the fields, the whole family sets out on a journey of several days to attend a festival at some famous temple, or a wedding in some other village. This is their chief contact with the outside world, as communications on the whole are bad.

The husband does not interfere with the internal economy of the household, or, except in extreme cases, with the management of the servants. In the matter of marriages of the sons and daughters, the mother has as much determining influence as the father. Apart from this, she does not interfere with her husband's responsibilities as a rule.

I have already observed that only a small percentage of the people of India are literate. This handicap is serious enough, but its adverse effect is further enhanced by the great disparity between the proportions of literate men and women. This is roughly about three to one; and what is worse, this difference is chiefly concentrated in the professional classes, who live mostly in our towns and cities. Among them the wife is, by her lack of education, unable to share in a full measure in the life and interests of her husband, and the husband is quite content to leave things as they are, and even to discourage any attempts the wife may make in order to be a real companion to him, both inside and outside the home. She is also unable to develop a guiding interest and influence over the education of her sons and daughters, once they are past the lowest forms in the school. This disparity has one further social effect. It tends to keep women to the society of their own sex, and so to perpetuate an age-long custom which sanctioned this pronounced peculiarity in our society. The only cure is women's education. This has made rapid advance in recent years, and not only are there many women's colleges and schools, but all of them are well filled. A further factor in the direction of inducing a desire for education among the women is the extension of the franchise to them, under the scheme of elections to local and municipal bodies, introduced about 22 years ago. As a concession to social prejudices the law allows separate polling booths for women, and women polling officers in charge of them. In the general elections of 1935 in the Madras Presidency, with a population of over 40 million, a greater percentage of the women voters recorded their votes than the men in many areas. As such voters included, in most cases, Muslim women who lead a life of seclusion behind the purdah, its significance cannot be overrated. My father, who introduced the system of general elections on the English system into Madras Presidency, found that not only the women, but even the younger generation of men, were strongly in favour of the women exercising their right of franchise.

Another aspect in the life of the women of India is the question of early marriages. The custom of child-marriages has been checked by statute, introduced against strong opposition by some sections of the community which only the great influence of Mahatma Gandhi was able to overcome. In the Madras Presidency (now known as Madras State), such child-marriages were prevalent among the Brahmins, who form less than six per cent of the population. As girls of that caste have taken to education with a much greater zeal than most other sections of the community, a powerful remedy is already at work. But marriages, early in comparison with present

European standards, were also a common feature among other classes. For instance, my great-grandmother was married at 14, my grandmother at 19, and my mother at the age of 23, whereas my sister—having vowed at the age of thirteen never to get married at all—fell a victim to the exceptional qualities and charm of an American who was her fellow-student at the Sorbonne, and was married when she was 25. There are quite a number of families in which this progressive advance is noticeable even during the last two generations.

I have only touched the fringe of a very vast subject. What does the future hold for us, the women of India? Whatever may be said of Mahatma Gandhi, I venture to think that it is not as a political reformer that he is remembered. His social influence has been immense, and it has been most active in two spheres in which social neglect has been most pronounced in recent Indian history. I refer to the position of women in India, and the status of the Depressed Classes who used to be known as the Untouchables. Perhaps it was as an act, symbolical of what was uppermost in his mind as his life-work, that he adopted as his own a member of the outcastes, and that a *girl*. She grew up in his own household, as his daughter, and in her his friends and followers saw what a woman should be, and what an outcaste can be. Among the numerous social workers, to whom his example has been the chief source of inspiration, women are not in the minority. Even in his political work he never hesitated to include women in his innermost councils, whenever he found a woman competent enough for the responsibility. In spite of the great social inertia to be overcome at the early stages, the movement for the emancipation of women is now not only on a nation-wide basis, but is already definitely under way in all parts of India. We have received no small encouragement and guidance from the past history and present incidents of similar movements in other parts of the world. But more specifically I feel bound to mention the work done for us, and with us, the women of India, by European and American women in this country. Not only have they been from the ranks of missionaries, doctors, teachers, social workers and nurses, but also others who made India their adopted home for this purpose, proving that unity in sympathy with differences in capacity and outlook is the best possible foundation for all constructive effort. I am optimistic enough to hope that the emancipation of the women of my country, long since begun and past its early troubles, will go on from strength to strength to its ultimate goal—freedom to express their full personality in the life of a great nation and, even more important, in the Commonwealth of the world.

*Madras.*

RIVA TAMPOE.

### COMPENSATION FOR NAZI VICTIMS

**A**T the Reception given by the German Ambassador for members of voluntary societies concerned with Anglo-German relations during the visit of the President. Dr. Heuss said:—"We are grateful to Britain for having given to political and racial victims of Nazi oppression the

opportunity to find a livelihood here, however frugal it may have been. We are aware, too, of our duty to make amends for the wrong that was done. In the material aspect it must always be inadequate, though it has cost us a great effort. We have to deal with more than 1½ million claims for compensation, and all of them must be examined in a form of legal procedure. I know that the operation is still accompanied by much bitterness; but the Government, the Bundestag and Bundesrat are at one in regarding the solution of this problem as a paramount human and political concern."

The vast operations of restitution of identifiable property, confiscated or taken by the Nazis from their victims, and the compensation for the suffering, loss of liberty, career, health and property of those victims, have been proceeding in Germany more than 10 years, yet only one third of the claims have been disposed of. Each year, however, the amount allocated in the German federal budget for meeting these claims is increased. Four thousand civil servants and officials are engaged in compensation offices dealing with the claims; in addition, special tribunals and courts have been set up to dispose of over 130,000 suits which were registered in the last five years. It is the biggest legal operation of the kind ever undertaken.

During the war the Allied Governments repeatedly declared that they would obtain the restitution of property and compensation for the Nazi victims. After the surrender of Germany, by a joint declaration they assumed supreme authority; and had power to issue legislation binding on the German people and courts. For two years it was hoped that a single law of restitution of identifiable property would be enacted for the four zones, but gradually the hope of uniform action was frustrated by the cold war. It was clear that the Soviet Union would not accept the principle of private restitution. The American Military Government was the first to take action, and in 1947 promulgated a law concerning restitution for the American zone. A little later the French Government enacted a law based on the same principle, but it was not till 1949 that a law was proclaimed by the British Military Government for the British zone, and by the Allied Kommandatura for Berlin. The greater part of the 300,000 claims for restitution of immovable property have been disposed of by German courts, which were subject to the supervision of an Appellate Tribunal composed of Allied lawyers in each zone; and the value of the property restored is estimated at more than £200,000,000.

A large class of claims for restitution, however, has not yet been settled. It concerns movable property, bank balances, securities, jewellery, furniture and personal goods, which were forfeited or destroyed. The Western Allies, in negotiating terms of peace at Bonn with the Republic in 1952, stipulated that the Federal Government should accept liability to pay compensation for such property up to a value of DM 1,500,000,000 (=£125,000,000). The law giving effect to this agreement was only enacted in July 1957. Thousands of claims concerning movable property have been heard in the tribunals, and judgment has been given: but the amount of the compensation has to be determined, and in many cases the claim must be re-heard because of provisions in the new law. The claimants may now include persons living in the Western European countries occupied by the Nazis during the war, France, Belgium and Holland, if they can

prove that their property was forfeited during the occupation and transported to Western Germany. The payments made under the law of 1957 totalled DM 215,000,000 in the first year. In the current Federal budget there is provision for DM 250,000,000 under this heading.

Far the bigger operation is for compensation for loss of liberty, health, career and the rest. The Allied Military Control in Germany did not itself enact legislation on the matter, but left it to be dealt with by the German authorities. Each province—*Land*—could enact its own law, but there was no uniform model. In the American and French zones and in Berlin, the provincial laws provided for claims, not only by German residents, but by refugees from Germany and displaced persons from East Europe, who had been thrown into concentration camps and work camps. In the British zone the laws of the *Lands* almost entirely excluded claims of persons not resident in Germany. It was the provision of the Bonn Treaty of 1952 that the Federal Government should enact a compensation law which would apply to its whole territory, and that its terms should not be less favourable to claimants than in the American zone. The law should take into account the special conditions arising from the persecution, including the loss and destruction of records and documents and the death of witnesses. The provision of funds to meet all claims should be ensured by the Republic. After signing the Contractual Agreements with the Western Powers, the Federal Government discussed specific provisions of the legislation with representatives of the Jewish communities of the world, forming a "central committee for Jewish material claims against Germany." The result was to enlarge considerably the scope of the compensation action.

The federal law was enacted in October, 1953, and it is under that law that 2½ million claims have been lodged, about two thirds of them on behalf of persons living outside Germany. Big legal aid organizations, with branches in many countries, and with legal offices in the principal centres in Germany, were set up by the Jewish organizations to present the claims of those persons, scattered over the world, who had not the means of engaging their own lawyers. The amount recovered by this United Restitution Organization has averaged during the last year nearly £1,500,000 a month. The growth of the expenditure of that organization is remarkable. From £30,000 in 1949 it has risen in 1957 to £1,125,000. That large sum is mainly covered by the modest fees which are paid by the claimants when compensation is attained.

The federal law of 1953 was immediately the subject of many complaints, and it was recognized by the German Government itself that it was in many aspects inadequate, and should be amended. It omitted large classes of deserving victims of Nazi oppression, imposed narrow limits on the sums to be awarded for compensation, and contained many other anomalies. In June, 1956, an amending law was passed by the German parliament, and amongst other things gives the right to claim to refugee victims who lived in the Eastern zone and in any territory which was part of the German Reich in 1937. It gives also a limited claim to refugees from the expulsion areas, e.g., Danzig and Czechoslovakia, who were attached to German culture. Owing to the increase in the classes and numbers of claimants and the amount of compensation which can be awarded, it is

estimated that the liability of the German Government for compensation, which was originally forecast at DM 7,000,000,000, will be doubled. According to the programme the operation is to be finished by 1963. By July, 1958, 800,000 individual claims had been settled; and the total amount involved was DM 4,000,000,000 (=£350,000,000). In addition, nearly DM 1,000,000,000 had been paid by the provinces (*Lands*) under their laws before 1953. If the operation is to be finished by 1963, in accordance with the law, it is obvious that a great speeding up of the disposal of claims will be required.

Dr. Fritz Schaeffer, the Federal Minister for Justice, who was in Dr. Adenauer's last government Minister of Finance, on several occasions last year criticised the financial burden of the amended compensation law. He apprehended that the addition of the new classes of claim would involve an unbearable strain on the German economy. His remarks caused great perturbation in and outside Germany, but Dr. Adenauer has emphatically confirmed the intentions of the government to carry out the law, and President Heuss reinforced that assurance when he was in London.

It has been forcibly pointed out that the compensation paid to victims of the Nazis is a small proportion of the total sum paid, or to be paid, by the German authorities to war sufferers. DM 15,000,000,000 have been paid, and DM 23,000,000,000 are owing, to claimants for personal war losses in goods and property within Germany. DM 8,000,000,000 have been paid, and DM 23,000,000,000 are owing, to civil servants and former members of the armed forces, including a number of ex-Nazis. DM 52,000,000,000 have been paid to sufferers from the Allied occupation. If the payments on account of Nazi victims, (including the indemnities to Israel), reach ultimately a total of DM 20,000,000,000, that will be less than one-tenth of the estimated liability for losses and damage suffered by the war. Regrettably, the outcry of Dr. Schaeffer has had the effect, whether or not intended, of slowing down the rate of settlement of the compensation claims by Nazis victims. Though a larger allocation was made this year in the Federal budget than in 1957, the amount paid out in the first half of 1958 was less than that in the second half of 1957.

There is abroad dissatisfaction over the slow progress of compensation, at a time when the German economy is so prosperous. And the failure of the Federal Republic to meet the claims of the British and other Allied governments for compensation for their own nationals, who suffered from persecution, is another just grievance.

The restitution of property and payment of compensation to individuals are separate from the collective reparation or indemnity which the German Republic is paying to the State of Israel in virtue of an agreement made at Luxemburg in 1952 between the two governments. That gave effect to the declaration made by Dr. Adenauer in the parliament that the Federal Government was anxious to make material retribution for the terrible things done to the Jewish people by the Nazis. After long negotiations with the representatives of the State of Israel and with "the central conference on Jewish material claims," acting on behalf of Jews of Europe and America, the German Government undertook to pay over a period of 10 to 12 years goods in kind to the value of DM 3,500,000,000. The greater part was for Israel on account of the costs of resettlement of the



half million victims of persecution who had gone to the National Home. But the global sum included DM 500,000,000 which should be applied to meet the needs of refugees in other lands. The payment of the indemnities has proceeded regularly, and the government of Israel maintains a mission in Germany, with its centre in Cologne, for the purpose of ordering and despatching specific goods for Israel's needs.

The whole operation of collective indemnity and individual compensation has a moral as well as a material significance. It is a belated act of justice. Surveying the record of the ten years it may be said that, though the progress in many respects is defective and dilatory, the German government is fairly carrying out the programme.

NORMAN BENTWICH.

### CANADA'S FOREIGN POLICY

**A**SIX weeks' world tour by the Canadian Prime Minister, Mr. John Diefenbaker, is an event important not only to the Commonwealth. In a sense it was a deliberate culmination of a momentous period of 18 months or so in the political life of his country. In June, 1957, a Conservative government came narrowly to power in Canada for the first time in 20 years: a few months later the Nobel Peace Prize was awarded to Mr. Lester Pearson, Minister for External Affairs in the previous administration. The overwhelming Conservative victory in a second general election on March 31 this year was due, according to a majority of observers, as on the first occasion, to the growth of a not always so mild anti-Americanism. In September it was the Canadian host delegation which oiled the machinery of the Commonwealth Trade and Economic Conference at Montreal with positive offers of co-operation. Altogether this seems a proper moment to assess the developing role of Canada in Commonwealth and world affairs.

It is not that Mr. Diefenbaker's now firmly established government is effecting any drastic change in the direction of that policy or that Mr. Pearson's honour was a strictly personal one—he could not have justified its award without an enlightened public opinion behind him—but simply that the last 10 anxious years have been favourable to Canada's rise as a "middle" power of exceptional influence and any change of emphasis in that country is now of more than domestic interest. Mr. Diefenbaker got to power largely on the claim that he would shift the balance of Canadian trade a little away from the United States towards Britain and the Commonwealth. He has not been able to make much progress towards this end and, for this and other reasons, has been criticized for having needlessly aggravated America to such an extent that Canada might be less influential on her neighbour in a major international crisis than has been the case for some time. But to judge by the election result and subsequent events, Mr. Pearson's campaign reference to the danger of plucking at the eagle's tail feathers has clearly had little effect on public opinion on this question.

There was a time not so long ago, when Canadian politicians did not look much beyond their own frontiers. In 1924, at Geneva, a French



Canadian Senator publicly announced that, in his view, Canadians lived "in a fireproof house far from inflammable materials," and that there was therefore no reason why she should undertake commitments which would entangle her in other people's affairs especially in Europe. This principle was applied in the following year when Canada, along with the other Dominions, deliberately chose not to be involved in the terms of the Locarno Pact which Britain had signed. Within 30 years of Locarno, however, it was possible for Professor F. H. Underhill, a distinguished Canadian historian, to write, without much fear of contradiction, in his book *The British Commonwealth*: "Canada is the member of the Commonwealth that has carried furthest the tendency to develop contacts and commitments outside the Commonwealth." This statement implies a complete transformation of Canada's foreign policy during the intervening period—a change which demands some explanation. One may go further and inquire what are the factors which have enabled Canada to develop a positive independent foreign policy, to exercise an influence on world affairs quite out of proportion to her military strength, and, by so doing, to change the nature of the Commonwealth to a considerable extent.

The period immediately after the First World War demonstrated quite clearly that Canada, especially in the person of Mackenzie King, was not satisfied with the measure of her independence of Britain. She was, however, relieved of this sense of continuing subordination by the Imperial Conference of 1926 and the recognition of the Dominion's full parliamentary sovereignty in the Statute of Westminster of 1931. Today, after an interval of successful development towards national maturity, the position is in a way reversed: many Canadians now recoil from the prospect of economic domination by the United States. Other factors have also served to hasten the revolution in Canada's external policy. Air power and the possibility of bombardment with intercontinental ballistic missiles have gradually broken down her formerly apparently unassailable geographical isolation. British and French Canadians, Protestants and Catholics, have achieved an almost final reconciliation in the face of Communism. The longstanding French Canadian fear of submergence and loss of racial identity, if Canada were to be absorbed by the United States, has not diminished. In 1939 Mr. Mackenzie King was able, with the Canadian parliament fully in control of the country's destiny for the first time, to bring a united Canada into the war on the side of Britain while her neighbour and natural ally, the United States, remained aloof.

That this was so was due to the confident nationalism which Canadians had begun to develop. The Department of External Affairs, which in 1914 consisted of a handful of men, had been transformed by the determination of the Prime Minister to select a service of the highest quality. In 1929 Mr. Lester Pearson was drawn from an academic career to play a full part in this plan. Today the department is about 1,600 strong and maintains 37 embassies in foreign countries apart from special delegations and, of course, High Commissioner's Offices in the Commonwealth. The existence of this highly trained official cadre, unrivalled in quality within the Commonwealth, at any rate outside Britain, has been of paramount importance in the development of a Canadian foreign policy. It was they, for instance, who were able to give expression to the demand at the time

of the Italo-Abyssinian crisis in 1935 for a constructive attitude by Canada towards international problems even though they were remote and did not directly affect her interests. This was a question of national prestige as was, of course, and is still the maintenance of freedom of action *vis à vis* the United States.

Increasingly since the last war Canada's policy has been to strike a balance between her American and Commonwealth commitments. This has given her an expanding vision—a new role as a "middle" power. She is dependent on the United States for defence, but the U.S.A. is also reliant upon her. Canada, as Professor Underhill has said, could only be abandoned on the day when the loss of Chicago and Detroit was inevitable: she can therefore afford a certain toughness diplomatically. N.A.T.O. has proved the key to Canada's external problem: within it she has been able to reconcile her relationships with Britain and America, take a rational part in European affairs, and even appear to cherish the sentimental ties of part of her population with France. In the last few months in South and Central America the mantle of respect once reserved for the United States has tended to be transferred to her. In recent years when there has been some measure of Anglo-American disagreement, Canada has often been inclined to take a view close to that of Britain. In the Far East, for instance, she has recognized Communist China and criticized the conduct of the Korean War, though in that war she pooled her air transport with the United States and made her military contribution to the Commonwealth Division. The measure of her Commonwealth loyalty, however, is the fact that she does not generally feel obliged to support America if not previously consulted, whereas even when there is disagreement with Britain, as over Suez, she will go out of her way to find means of restoring full co-operation.

Underlying Canada's relations with other states even within the Commonwealth has been a determination not to do anything which would prevent the success of the United Nations. She played a considerable part in resolving the initial constitutional difficulties and, of course, took the initiative in organizing the United Nations Emergency Force for the Middle East in November, 1956: in fact, she provided nearly one third of its total strength and was justifiably incensed by Colonel Nasser's remarks about the British style uniform and possible confusion in the minds of Egyptian citizens as to the force's role. This breadth of international vision has extended to Asia which once seemed so remote from Canada across the Pacific as not to exist at all except for the menace of a militant Japan. At the outset of his tour Mr. Diefenbaker claimed that its "emphasis and accent are on Asia." He wanted to discover other countries' problems for himself so as to plan the direction of Canadian help. Today even in British Columbia the Japanese settlers have the vote, and Canadian statesmen can claim the credit for first realising that India, Pakistan and Ceylon—the essential ingredients of the multi-racial Commonwealth—might prove the bridge of understanding between East and West. Canada, as a former colony, has the confidence of the new nations. She supports the Colombo Plan but attaches no strings to her contribution and does not take part in S.E.A.T.O., perhaps because it seems to Asian Nationalists an objectionable interference. Close co-operation now exists particularly with the Indian

government to whom Canada seems a disinterested friend, and in a way the position of these two countries is similar—they are both to some extent “between two worlds.” The same applies on a smaller scale in Africa to Ghana whose uneventful admission to full membership of the Commonwealth club may have been largely due to Canada’s perceptive tact. “The value of the Commonwealth,” said Mr. Lester Pearson after the Suez crisis, “is that we are always trying to get together even when we cannot support each other.”

It is perhaps Canada’s capacity for such disinterested friendliness which has enabled her, a country comparatively small in population, to develop a foreign policy of unique virility. The robust and forthright attitude of her Prime Minister, which caused the whole audience at a rally in the Albert Hall on November 4 to rise and applaud him, is a token of its continuance. Some have detected in it a shift in the Commonwealth balance of power from London to Ottawa. Certainly with influences such as this at work the Commonwealth will not lose its sense of mission, and the chances of peace are thereby enhanced.

W. F. GUTTERIDGE.

*Senior Lecturer in Modern Subjects,  
Royal Military Academy, Sandhurst.*

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The Editor wishes to express his regret that Lord Meston’s article *The Municipalisation of Rented Houses* in December issue was attributed on the cover to Sir John Benn, Bart.

## PRISON AND PROBATION

THE manner in which a community treats its offenders is often considered to be a reflection of its achievement of civilized status.

Despite shortcomings and anomalies, the English penal system is recognized as being progressive and for the most part humane. The desire of the authorities to treat as many offenders as possible under open conditions is best seen in the slow but powerful development of the Probation Service in this country. Conceived at a time when people of charitable outlook were anxious to lessen the severity of the law, it has passed through a somewhat difficult period and last year celebrated its maturity by a fiftieth anniversary. Today the service is generally accepted as an important means of preventing and understanding criminal behaviour. Despite its debt to the psychological and sociological sciences, it still has its foundations in a belief in the intrinsic worth of the individual and in a vocational approach. In the few years that I worked as a probation officer, my self-esteem was sometimes chastened by the general public’s apparent lack of accurate information concerning our activities. Many people, I discovered, regarded our service as a means of keeping small children out of trouble by means of a stern warning or a friendly pat on the head backed up by firm advice to feckless parents. There was little knowledge of the

other and more varied duties we performed; such as helping to solve matrimonial disputes, caring for discharged prisoners and Borstal trainees, making enquiries into the social background of offenders, or vetting the suitability of prospective adoptive parents. Furthermore, if they did conceive of us as dealing with adult offenders, they only saw us doing this in terms of "first-timers" or with those charged with trivial offences. Because probation work now uses many skills derived from the social sciences and psychiatric knowledge it is being applied with increasing frequency to the more hardened criminal or recidivist. Time and again the courts, particularly the courts of Assize and Quarter Sessions, are finding that repetitive prison sentences seem to have no effect on some offenders. Indeed, when one comes to investigate the life-history of many old or young "lags," it is found that they can rightly lay claim to never having had a "chance." The old, familiar pattern is all too obvious; juvenile misbehaviour, lack of parental interest, committal to approved school, and then the formation of a definite anti-social character that will ensure Borstal and a variety of prison sentences. This means considerable expense to the State and has but little remedial effect on the individual offender. That some quite hardened offenders can be helped by the judicious use of probation is shown by "Ralph's" case.

Ralph was born in the North of England during a period of depression and unemployment. He had always been the odd man out in his family, and at an early age became a wanderer and a misfit. He soon made his appearance in the juvenile court. No-one, least of all his parents, had a good word to say for him, and he was sent forthwith to an approved school. He absconded repeatedly from the first two, perhaps in rebellion against what he considered to be adult injustice, or anxiety to find out if his parents had in fact really rejected him. At his third school he did not abscond; perhaps he had given up trying to redeem himself in an unfriendly world, and the hardening process began. What he did not already know about crime and viciousness he quickly learned from his more experienced friends. Eventually he was released on "licence" (an appropriate word?), and soon sought refuge in the Army, where, in fact, he did well. No doubt by this time he was well used to regimentation, and the Army provided him with few real responsibilities. His return to civilian life, however, was not so favourable. While His Majesty's Government had been prepared to overlook his youthful transgressions since their need for soldiers outweighed their finer scruples, employers and others were not so benign and work became a problem. Soon he drifted into trouble again, this time with an older and more experienced thief, and received 12 months. He was of course a "good" prisoner, and having earned full remission sought his fortunes afresh. The hard exterior was pretty well formed by now, and he did not care very much what happened to him. His family had cast him off, and his hostile and indifferent manner rendered him pretty inaccessible to unskilled help. Soon he was in trouble again. Ineffectively he pleaded for leniency, but the magistrate gave him six months, adjuring him to think about his future while suffering for his past! On his release he moved south and for a while he seemed to settle. He married and started a family; his wife's people, knowing nothing of his past, accepted him. Then he lapsed again. This time he realised he needed

help—perhaps he had reached a critical stage in his development. A solicitor agreed to take his case, and we in court felt that at this stage he would either proceed upon the path that led ultimately to preventive detention, or, if given the chance, might pull through. With many misgivings the Bench made a probation order for three years—the maximum. As his probation officer, charged with offering professional friendship where official punishment had failed, I was not very sanguine about the future. Events did not go very well to start with. His mother-in-law, with whom he had been living, rejected him, and for some time Ralph, his wife, and young family, lived a semi-detached existence. Eventually through much effort we managed to get them a house and the family were reunited. His employers, despite their knowledge of his past, agreed to keep him on. This act of faith had much meaning for Ralph, linked as it was in his mind with the court's gesture. Gradually his hostility and suspicion lessened, and he was able to accept help and understanding. The deep-seated loss of faith in society was not easily assuaged however. Towards the end of his probation period I felt he needed a final gesture to show him that we felt he could stand alone. To this end the magistrates agreed to release him from the last few months of his court order. I rarely saw him after that. An occasional wave from his lorry or a friendly flash of headlights on a dark night told me he was still around. I would have been a welcome visitor at his home at any time, but I felt it better for him if I kept away. So far as I am aware he has not been convicted again. Not all one's cases ended like this. With many there were disappointments, frustrations, and vain attempts to seek an answer to a problem beyond our solution. Ralph's story is not an uncommon one, however, and lives such as his present a challenge if we are to keep people out of prison.

H. A. PRINS.

## RELIGION IN THE SLUMS

*Roman Catholics.*—In the slums, the largest number of denominational families are Roman Catholics. Of course, there are also members of other denominations, but they are small. The reason why large numbers do not go to any church and profess no religion, can be ascribed to indifference, a rather scornful indifference. In Liverpool, Manchester and Leeds, there are considerable areas where the residents are all Roman Catholics. This is most marked in Liverpool, where there are several areas of three or four hundred houses in which it would be difficult to find a Protestant family. I have not discovered how this is brought about, but I know the power of the Roman Catholic Church and it is likely to be part of their organization. From discussions I have had with the priests, I have learned that the Roman Catholic Authorities are not altogether in favour of slum clearance. In fact, at a Public Inquiry in Leeds, they brought a prominent K.C. to present their case and oppose a Clearance Order for a large area of 1,200 houses. The main reason for the opposition is that when a large area is cleared, it is done gradually and the families are moved to

Council Estates which may be far apart on the outskirts of the city.

In this way the Roman Catholic communities are scattered, more priests are necessary, attendances at church fall off, subscriptions to church funds decline and the church suffers. In the Leeds case the clearance area contained a Roman Catholic Church, a school, and a community centre which were all left high and dry after the population had gone. The priests exercise great power over their flocks, particularly in matters of birth, marriage and death. I once heard a small priest severely dress down a large navvy who had come home drunk whilst his wife was having a baby. The navvy wept and after the priest had gone went out to complete his oblivion. I can only regret that neither the priests nor the church seem to have much effect in uplifting the moral lives and standards of the people. If cleanliness is next to Godliness, one can only hope that the great efforts now being made by the Local Authorities will, in due course, have their beneficent reward. The fact that the religious riots between Catholics and Protestants no longer occur in Liverpool is an encouraging sign.

*Protestants.*—In the Army, if a man did not belong to any religious denomination it was the practice to register him as Church of England. A similar practice might be used in the slums. Of the various Protestant denominations I recognized only a small number of adherents and I do not remember meeting any of their clergymen. In the houses of those I was able to recognize there was an improvement in the conditions, but it was not very pronounced. From talks I had with the womenfolk I formed the opinion that they would be more readily responsive to the efforts by the Local Authorities to improve the conditions by the introduction of Maternity Hospitals, Children's Clinics and visits by District Nurses and Women Health Visitors, etc. They would also be better tenants when moved into new Council Houses. One woman said to me, "For goodness sake mister, get me out of here! I've had five children in this God-forsaken hole and I'm going to have another, and I don't want to have it here." There is a considerable number of Methodists amongst the coal miners of the North and they are very zealous.

*The Salvation Army.*—I met several Salvation Army officers in uniform. The homes of the Salvationists were always recognizable by scriptural texts on the walls, uniforms, bibles and sometimes musical instruments, but above all, and more important to me, by their cleanliness. To the best of my recollection I never saw a dirty house in occupation by a member of the Salvation Army. Poorly furnished perhaps, often enough, because the 1930's were very lean times for a lot of people, but always clean and tidy and, so far as the structural and sanitary defects would permit, always well maintained. I remember with pleasure an occasion in Sheffield when I was kindly invited to join them round the kitchen table for a cup of tea. There was a clean white table-cloth, clean cups and saucers and nice white bread and butter, together with a few cakes. The Army Captain reverently asked a blessing and we all had a jolly enjoyable meal. What a pleasure it was to me to know they would soon be removing into a new Council house with its bath, hot water supply, indoor w.c., garden and all the modern amenities, although I dare not tell them so.

*The Spiritualists.*—In several of the slum areas I saw notices on the doors of small halls indicating that Spiritualist Meetings were held there.



One such notice on the door of a small school hall in Leeds attracted attention. It was headed "Spiritualist Church" and announced that a meeting would be held there that night at 7 p.m. I resolved to go. There would be upwards of 200 people present, all recognizable as slum dwellers. There was no charge for admission, but a collection was taken at the door. The amount on the plate would not exceed 25 shillings which perhaps was just about sufficient to pay for the hire of the hall. I had a seat at the back. They opened the meeting with a hymn followed by a prayer and then another hymn. The platform was then occupied by a woman who could well have been described as a char. She began at once by picking out, apparently at random, members of the audience and describing to them departed relatives whom she said were standing beside them. She gave Christian names and sometimes names of streets in which they had lived, descriptions of their features and characteristics of their make-up. These descriptions were usually followed by messages of a personal nature supposed to be from the departed spirits. Whether the medium was personally acquainted with any member of the audience I have no means of knowing, but all the descriptions and messages were readily recognized and acknowledged. To my surprise she came to me. I was about twelfth on the list. She accurately described my father who had several distinct characteristics and died during the First World War. She correctly said his Christian name was Robert and mentioned the disease from which he died. She said he was very religious (he was a Methodist Local Preacher), and gave me a message of a distinctly private and characteristic nature, which if he could have spoken over the telephone would, I am sure, have been just the kind of message he would have given. I left the hall a very puzzled man; the atmosphere throughout had been reverent and sincere and the service was a strange mixture of psychophenomena and religion. If the medium could have repeated the performance as an item of entertainment on the stage of a music hall, it should have been worth £50 a week to her. I afterwards learned she made no charge for her services. Whatever the explanation may be, I am satisfied there was no fraud, deception nor dishonesty. Is there any scientific explanation of this very extraordinary phenomena?

*The Mahomedans.*—There is a very zealous, if small, number of religious devotees to be found in the slums—the Mahomedans. In South Shields quite a number of Arab seamen or firemen had homes there. They live near the docks in large old houses of perhaps 12 rooms which, over 100 years ago, were the homes of merchants. Their identity cards had them registered as mostly coming from Aden. They occupied one or two rooms, lived with white women and had half-caste children. Usually they were law abiding, but they were a problem to the Local Authorities. Their rooms smelled of sandal wood or other oriental scents from the burning of incense. There were large basement rooms in these houses which had been converted into Mahomedan places of worship. I refrained from going into them because my entrance would have been a desecration and would have put them to a lot of trouble, but I saw their shoes outside the door and heard their invocations. Many of the Arabs died from tuberculosis, and the Local Authorities were put to considerable expense in giving them special medical attention. Another problem arose when these old houses

were registered for demolition. The ordinary tenants of Council houses would not have them as neighbours.

*The Jews.*—Finally, there are the Jews. They were mostly found in the slums of Whitechapel and the adjoining East End Boroughs, but there are also fairly large areas of them in Manchester, Bradford and Leeds where they are engaged in the clothing industry. For the most part they seemed to follow their Jewish religion and many of them did not work on the Jewish Sabbath. As a race they are not remarkable for their cleanliness, but they are industrious and live well. Their children looked well cared for and, for the most part, seemed strong and healthy. They all dressed well and the young females in particular were attractive. Their work, no doubt, offered them special facilities of which they took full advantage. I think that as a community they will respond to improved conditions and the efforts of the Local Authorities will not be wasted upon them.

*Conclusions.*—After many years of close and sympathetic observation I have come to the conclusion that orthodox religion never has benefited the millions of slum dwellers and never will. I grant that in one denomination the priests have considerable influence and ritualistic observances are complied with, but these do not necessarily lead to home cleanliness or even to a reasonably high sense of public morality. The exceptions are so few as to be negligible. I have discussed this conclusion with many experienced Public Welfare Officers and have not found one who differs from it. I make no attempt at prescribing a remedy. My hopes lie in the actions now being taken by the Government and the Local Authorities and more particularly in the effects of better education.

WILLIAM T. BOWMAN.

### JOHNSON'S LIFE OF SAVAGE

THE reputation of Johnson as a writer has been for long obscured by the reputation won for him by Boswell as a personality and a conversationalist. In a famous essay Macaulay established the legend that future generations would remember the man but forget the writer. In recent years, however, the point of view has changed and reputable critics together with a small but increasing body of readers have come to realize that Johnson could write as well as talk well. Many of his works could be cited in support of this assertion, but none more effectively than his *Life of Richard Savage*. This miniature biography, though an early work, written in 1744 when Johnson was thirty-five, was re-published later along with the *Lives of the Poets*, in which context we read it as something apart, different and distinct from the other *Lives*. It is more truly a biography, a personality comes through, a character is unfolded.

Savage is a good subject for biography, for his life though short was an eventful one, packed with incident and adventure; first rate stuff for a novel or romantic play. It begins with a still unsolved mystery of personal identity, contains one of the most celebrated murder trials of the eighteenth century,

a famous libel action, and ends with the tragic death of Savage in a Bristol gaol. Further, Johnson in writing this life had the advantage of personal and intimate knowledge of his subject, having had frequent intercourse with Savage over a period of two years. Johnson came to London in 1737, Savage left London for Bristol and Swansea in 1739. In the intervening period both men were struggling to establish themselves in their profession, at times very near destitution, often walking the squares together at night without prospect of supper or bed; yet, as Johnson tells us, enthusiastically discussing national affairs and deciding to "stand by the Constitution." An instance of disinterested politics hard to find in these days. In recording this, Boswell, with some unction, goes on to say: "I am afraid however that by associating with Savage, who was habituated to the dissipation and licentiousness of the Town, Johnson, though his good principles remained steady, did not entirely preserve that conduct for which in days of greater simplicity, he was remarked by his friend, Mr. Hector." Which is all rather good, coming from the Boswell of the *London Journal*!

Shortly after Savage's death in the Bristol gaol where he had been imprisoned for debt, Johnson proposed in a letter to Mr. Urban of the *Gentleman's Magazine* that he should write the life for publication in that journal; "a design," says Johnson, "that may have a tendency to the preservation of it from insults or calumnies." The proposal was agreed to and in February 1744 the life appeared in the *Gentleman's Magazine* as published by a Mr. Roberts of Warwick Lane. It was written at high speed, forty-eight of the printed octavo pages being written at one sitting, but then, says Johnson, "I sat up all night." In this fascinating narrative which flowed so rapidly from Johnson's pen there are two main strands of interest, inter-related like the subject and counter-subjects of a fugue. First, that concerned with Savage's struggle to establish his claim to be of noble birth, the natural son of the Countess of Macclesfield by Earl Rivers; the second recording his struggle to establish himself as poet and dramatist. This second objective he may be said to have achieved, for he certainly in his own day won fame as a writer and person of great distinction. He was admired and befriended by many eminent people from the Queen downwards, and the list of his patrons includes such names as Pope, Sir Richard Steele, Nance Oldfield, Aaron Hill and Earl Tyrconnel. That with all the influence and material help which these patrons accorded him he was unable to maintain himself in comfort, he himself, as Johnson points out, is largely to blame.

The fact is that Savage was one of those vagrant poets who have Francois Villon and Christopher Marlow as spiritual ancestors, and shall we say, Frederic Rolfe, self-styled Baron Corvo, as direct descendant. Men not possessing, but possessed by their genius—to quote a phrase of Coleridge—strong in gifts but weak in character. How wisely perceptive Johnson is of this unequal character, and yet how compassionate. Speaking of Savage's too ready use of his gift of ridicule, he says "that he did not wholly refrain from such satire as he afterwards thought very unjust, when he was exposed to it himself; for when he was afterwards ridiculed in the character of a distressed poet, he very easily discovered, that distress was not a proper subject for merriment, or topic of invective. He was then able to discern, that, if misery be the effect of virtue, it ought to be revered; if of ill-fortune, to be pitied; and if of vice, not to be insulted, because it is perhaps

itself a punishment adequate to the crime by which it was produced. And the humanity of that man can deserve no panegyric, who is capable of reproaching a criminal in the hands of the executioner." Again when describing Savage's periodic phases of destitution, how movingly Johnson writes: "He lodged as much by accident as he dined, and passed the night sometimes in mean houses, which are set open at night to any casual wanderers, sometimes in cellars, among the riot and filth of the meanest and most profligate of the rabble; and sometimes, when he had not money to support even the expenses of these receptacles, walked about the streets till he was weary, and lay down in the summer upon a bulk, or in winter, with his associates in poverty, among the ashes of a glass-house."

With what penetration Johnson describes and sums up the basic defect in Savage's character. "By imputing none of his miseries to himself, he continued to act upon the same principles, and to follow the same path; was never made wiser by his sufferings, nor preserved by one misfortune from falling into another. He proceeded throughout his life to tread the same steps on the same circle; always applauding his past conduct, or at least forgetting it, to amuse himself with phantoms of happiness, which were dancing before him; and willingly turned his eyes from the light of reason, when it would have discovered the illusion, and shewn him, what he never wished to see, his real state . . . The reigning error of his life was, that he mistook the love for the practice of virtue, and was indeed not so much a good man, as the friend of goodness."

As regards the still unsolved problem of the identity of Savage, Johnson inclines to take for granted that he was by birth the person he claimed to be. Boswell, who obviously dislikes the man, speaks of his character as marked by profligacy, insolence and ingratitude, and as we have recalled, regrets his association with Johnson. He then goes on with professional zeal to discuss the evidence one way or another, reaching the conclusion that "If the maxim '*Falsum in uno, falsum in omnibus*' were to be received without qualification, the credit of Savage's narrative, as conveyed to us, would be annihilated, for it contains some assertions which beyond question are not true." In the end Boswell says "I have tried to sum up the evidence as fairly as I can; and the result seems to be, that the world must vibrate in a state of uncertainty as to what was the truth." The tantalising fact is the absence of direct corroborative evidence, for though we have four versions of the life of Richard Savage they are not independent, for one was written by, and the other three (including Johnson's) inspired by Savage himself. There is, of course, some important circumstantial evidence which on the whole lends support to Savage's own account of his origin.

Though bringing him much contemporary fame, including the high commendation of Pope, the works of Richard Savage can today be known only to a few. Indeed it has been said that he is remembered only by one line: "No tenth transmitter of a foolish face." Who now reads "The Wanderer," "The Progress of a Divine," "The Author to Let," or "Sir Thos. Overbury"? As in most other things, there is a fashion in minor poetry and the taste of today may be far removed from that of yesterday. But if the works are forgotten the man himself is still very present to us in this biography of Johnson's. No portrait of Richard Savage, so far as we know, exists on canvas; but how we are compensated by Johnson's vivid word

painting: "He was of middle stature, of a thin habit of body, a long visage, coarse features, and melancholy aspect; of a grave and manly deportment, a solemn dignity of mien; but which, upon a nearer acquaintance, softened into an engaging easiness of manners. His walk was slow, and his voice tremulous and mournful. He was easily excited to smiles, but very seldom provoked to laughter."

Savage left London for Swansea and Bristol in the July of 1739 and died four years later, a prisoner for debt, in Bristol jail. He parted from Johnson, we are told, "full of salutary resolutions and with tears in his eyes." Those tears are a tribute to Johnson and do credit to Savage—to his sensitive perception and his deeply felt gratitude for two short years of fellowship with a great and good man. How much more grateful he would have felt could he but have known that Johnson was to write the record of his life and so be through time and at the bar of history eloquent counsel for his defence.

H. A. MORGAN

## THOUGHTS ON THE COLOUR PROBLEM

IF we are to analyse what is known as the "Colour Problem" in any depth—and only by going to the roots of the matter can we hope to solve it—we shall have to take religion, which has always taught that spiritual evolution was the aim and explanation of human life, into account. For Paul, who described the evolutionary process in the words, "forgetting those things which are behind, and reaching forth unto those things which are before, I press toward the mark for the prize of the high calling of God in Christ Jesus," (Phil. 3:13, 14), also made a statement relating to this process which is of immense importance but seems to have been almost totally overlooked by the theologians. It is found in Acts 17:26, 27 where we are told that God "hath made of one blood all nations of men for to dwell on all the face of the earth and hath determined the times before appointed, and the bounds of their habitation; that they should seek the Lord, if haply they might feel after him and find him." In the light of the evolutionary theory this must surely be interpreted to mean that all nations of men are born in the best environment for their further evolution. It is therefore profoundly to be regretted that Christendom did not give this teaching the attention it deserved before it began so indiscriminately to "colonize" and otherwise penetrate into alien lands and civilizations, for by so doing it has impeded and dangerously jeopardized the natural evolutionary process. Paul, who is nowadays sometimes believed to have known a great deal about the Mystery religions of his times, well understood the impossibility of equality on the evolutionary path. Basic to all such cults was the idea of *degrees* of initiation, from the lowest to the highest, according to the capacity for understanding in the initiate.

Less realistic than the Apostle to the Gentiles, modern man has a mania for the idea of equality. Yet logic demands that if we are to accept and act upon the idea of evolution, we must relinquish our present

unreasoning insistence on egalitarianism. While, as Paul pointed out, men must necessarily be conceived as being "equally" flesh and blood and equally *potentially* spiritually minded, in their progress towards the evolutionary mark, or, as so often seems to happen, their regress from it into sheer animalism, they cannot possibly be said to be "equal." Indeed almost every man is in a different stage of development, and, even more obviously, are nations and races in different phases of evolution. It is sheer nonsense to affirm, for instance, that an Australian aborigine is the equal of a Tagore or a Gandhi, or that members of the more primitive African tribes can be said to be "equals" of such men as Dr. Schweitzer and the late Professor Einstein. These extreme cases are cited in order to stress the *fact* of evolution, for, considering them, no one could fail to admit that spiritual evolution is a process going on before our very eyes.

It is not, however, a simple process, and certainly not an equal one. It may reasonably be objected that there are many European people inferior to the educated African. This is perfectly true. It is also true that there are many people, white, black, or yellow, who are less evolved than a good, well-trained domestic animal who has long been in the company of decent human beings. But these are the evolutionary failures of the human race. They offer good evidence for the theory put forward by Plotinus, the Teacher of the great theologian of the Early Church, St. Augustine, that if a man does not evolve from his animalism he devolves until he becomes, once again, wholly animalistic. In the Second Ennead we read:

Humanity is poised midway between gods and beasts and inclines now to the one order, now to the other; some men grow like to the divine, others to the brute, the greater number stand neutral. . . . The evil liver loses grade because during his life the active principle of his being took the tilt towards the brute by force of affinity. If, on the contrary, the man is able to follow the leading of his highest spirit, he rises; he lives that spirit; that noblest part of himself to which he is being led becomes sovereign in his life.

To Plotinus as to Paul it was this "rising" that constituted the only worthy aim of life for man. It was not the obtaining of foreign markets or a high standard of material living; it was not the exploitation of less evolved human beings, the invention of scientific marvels, the ability to tour or transcend the earth by means of ingenious vehicles, that made a successful humanity. It was the transcendence of that humanity by means of the self-purification of each individual comprising it. Every great Master of thought, from Plato to Tolstoy, has taught this truth. And had mankind listened to the wise men they would have avoided the grave mistake of aiming at world-conquest rather than at self-conquest, and they would not today be confronted with the very real and pressing problem of the intermingling of races in different phases of evolution.

It is not a problem that can be solved by any sentimental humanism, or religious insistence that all men are the children of God. Even in families the younger children are kept in the kindergarten, the older sent to advanced schools and the eldest, perhaps, to a University. They are segregated for one reason only; that they are in different stages of mental development; and if they refused this wise and reasonable grading and



insisted on staying together, they would either never emerge from the kindergarten or the youngest children would be transported to an intellectual climate incomprehensible to them. They would either retard their elders by demanding that they remained at the immature level, or become mentally starved by being unable to digest the too advanced pabulum available to them. This is like the situation we have in the world today, and markedly, just lately, in England, when, unable to prevent the influx of members of the Commonwealth (which we should never have acquired had we kept within the God-given "bounds" referred to by Paul), we are faced with a situation which has so far defeated the best intentioned of many governments.

The natives of the West Indies have a legal right to enter England as British subjects, but it is not their biological or spiritual home, and may well prevent their natural evolution which can only take place gradually in the environment and culture native to them. On the other hand, the instinctive feeling of many inarticulate but intuitive British people that a mingling of races, which is, more basically, a mingling of two incompatible evolutionary streams, is not "right," is a sure one. Specifically they complain of the coloured races taking their jobs and houses, and being dirty, noisy, or immoral; but these last objections are only the outward and visible signs of a different stage of spiritual development, a lower culture, and it is this which is sensed and resented by numbers of British people who have no personal ill-will towards their coloured neighbours as such. Their instinct, being basically right, is strong, and they are frustrated by not being able to rationalize it. If they could do so, they would say, in the words of a wise man of the last century: To preach equality to what is beneath, without instructing it how to rise upward, is not this binding us to descend ourselves?

What amounts to an enforced intermingling of white with coloured races in this country at the present time is being resented at a deeper level than most people imagine. The rising generation of British youth is already badly handicapped in its evolutionary struggle by the moral degradation which was involved in, and has resulted from, the last war combined with the wholly unspiritual atmosphere of thought engendered by scientific materialism. And their parents, observing this, cannot submit passively to witnessing their further deterioration through mixing with people of a still lower ethic and culture. The young people of Britain are not themselves sufficiently ethical to instruct their companions how to rise. Evolution is an arduous task. It is far easier to sink than to rise. We have an object lesson of this in modern America which has badly suffered from close propinquity with its less evolved immigrants. The "hot" music, primitive dances, and other sensual practices of the coloured races, have permeated, with their devolutionary influences, every corner of a once-puritan civilization, debasing and obstructing the process of an originally highly ethical people. Hence the instinctive fear lying at the back of much of the present colour prejudice in this country. When the evolutionary scales are already weighted heavily against the people of the West, any further weight may well prove fatal. And people intuitively feel this, for the evolutionary urge, unrecognized for what it is and often expressed as simply a desire to better oneself or to give to one's children opportunities

lacking in one's own life, is deeply rooted in the human heart. Were it not so there would be no hope of further evolution for mankind.

The government's determination not to restrict the immigration of the Commonwealth peoples seems somewhat unrealistic. Carried to its logical conclusion Britain could not protest if the entire population of India, Pakistan, Australia, New Zealand, British Canada and Africa decided to move into the Mother country, in which case there would not be room to stand, far less to live. It is obvious from the present rate of immigration that a saturation point must soon be reached when it will be imperative to put up the House Full sign. It should cause no more ill feeling to the "children" of the Commonwealth than if a human matriarch of a large family, living in a small bed-sitting-room, were unable to accommodate her 10 sons and daughters, their wives and husbands and 25 grandchildren. Unless acute discomfort amounting to suffocation were to ensue, she would have to entertain them a few at a time. Therefore in view of the evolutionary perils in the Government's present policy, it would surely be better if similar commonsense were immediately applied to what is so inadequately referred to as "The Colour Problem." ESME WYNNE-TYSON.

## THE PROBLEM OF UNDERDEVELOPED COUNTRIES

THE term "underdeveloped countries" is now used to denote a country which has a low standard of living as opposed to a country, such as the United States or the United Kingdom, which has a high standard of living. Whether one feels that it is a suitable term or not when one considers the vast untapped potential of a country such as Canada, which by dint of this definition is one of the few developed countries, is another matter. The question which it is proposed to consider at this juncture, however, concerns the nature of the fiscal policy best designed to facilitate an increase in the standards of living of the peoples in underdeveloped countries. Where better than in the writing of Adam Smith could the answer to this question be found? He knew a great deal about underdeveloped countries; he lived in one.

"Between whatever places foreign trade is carried on, they all of them derive two distinct benefits from it. It carries out that surplus part of the produce of their land and labour for which there is no demand among them, and brings back in return for it something else for which there is a demand. It gives a value to their superfluities, by exchanging them for something else, which may satisfy a part of their wants and increase their enjoyments. By means of it, the narrowness of the home market does not hinder the division of labour in any particular branch of art or manufacture from being carried to the highest perfection. By opening a more extensive market for whatever part of the produce of their labour may exceed the home consumption, it encourages them to improve its productive powers, and to augment its annual produce to the utmost and thereby to increase the real revenue and wealth of society."

Of the two ideas here it is the first which is of the more immediate importance from the standpoint of the underdeveloped country. Smith recognized that international trade overcomes the narrowness of the home market by providing an outlet for that surplus product above domestic requirements—what J. S. Mill later termed the “vent for surplus” theory. When a previously isolated country enters into world trade, its surplus productive capacity suitable for the export market affords it a “costless” means of acquiring imports and expanding domestic industry, thereby providing fuller employment for its semi-idle labour. The validity of Smith’s reasoning can readily be shown to be true by a study of the high rates of expansion in the exports of the underdeveloped countries prior to the nineteen-thirties. This trend was then halted and, in fact, reversed, as the channels of world trade began to silt up, during a period in which developed countries pursued “protectionist” policies, particularly for agriculture, concurrent with the growth of synthetic materials. In turn, these trends led the underdeveloped countries to embark upon ambitious schemes for industrialization in order to utilize their raw materials and, simultaneously, to provide alternative employment for their peoples. This process received further stimulus as a result of the widespread belief that industrialization is the key to higher living standards.

On this question of industrialization many persons are the victims of a simple logical fallacy. It does not follow that because a rich man may smoke cigars and drink port following a meal that in order to become rich one must smoke cigars and drink port following meals. The fact that the bulk of the population in underdeveloped countries is engaged in agriculture arises because of their low output, low productivity and low standards of living go together and, in order to raise their real incomes, output per worker must be increased. In turn, this involves capital investment, technical training and improved working methods. And the pursuance of a Free Trade policy assists. One benefit arising from trade has already been considered and, to refer again to the original quotation from Smith, the second benefit which he envisaged may now be examined. International trade, he argued, assists a country to raise its standards of living by widening the market, thereby improving the division of labour which, in turn, raises the general level of productivity. The extent to which such specialization is possible will in turn be determined by the resources of each individual country.

When considering whether a country could raise its standards of living more quickly by industrializing as rapidly as possible, with its industries sheltered behind tariff barriers, one finds that the mere invocation of orthodox economic theory can neither prove nor disprove the point at issue. Hence one must study the situation empirically. On so doing, one finds that many of the countries seeking to establish heavy industries lack the essential raw materials and, even when due allowance is made for this, frequently they find that the home market is unable to absorb the requisite volume of production to enable them to benefit from increasing return to scale. Consequently, industrialization behind tariff barriers has been an admitted failure in a number of countries. In contrast, it is noteworthy that the small colony of Hong Kong has established a large manufacturing industry under conditions of absolute Free Trade. The fact that

factory workers in those underdeveloped countries which are seeking to industrialize behind protective barriers are better paid than those on the land does not afford a bull point in favour of industrialization. Their higher wages are only possible because, in the absence of competition, the manufacturers can obtain monopoly prices for their products. Basically, the evidence suggests, the answer to the problem of poverty in underdeveloped countries lies not in the artificial stimulation of industry but in something more fundamental; namely, the creation of conditions in which economic expansion is possible. This entails higher productivity per worker which, in turn, requires higher investment, particularly in agriculture. The requisite for this is the specialization of labour by the free exchange of goods, and the removal of restrictions on the operation of a free market economy. Whether or not people will be one whit happier in consequence of their having a higher standard of living, however, is outside the realm of economics.

LYNDON H. JONES

### WHITHER CEYLON?

WHEN Ceylon regained her Independence in 1948, after nearly 500 years of foreign rule, the Ceylonese looked forward confidently to a bright future. Independence had been achieved—unlike in India—without shedding one drop of blood, and there was a general feeling of contentment throughout the country. But today, after ten years, the “bright future” appears to have receded far into the background, and a general feeling of fear and insecurity pervades the atmosphere. The political situation is very “complex,” and it is difficult to predict where we are drifting. An attempt will be made in this article, in the light of recent events, to assess the future of democratic government and the prospects that face the nation.

The country today is ruled by the People's United Front (PUF) of which the leader is Mr. Bandaranaike, the Prime Minister. The People's United Front was a political contrivance devised by the Prime Minister a few weeks before the election of April, 1956, to defeat a Capitalist regime—the United National Party—then in power. A heterogeneous complex of political parties, the People's United Front is a Coalition Government, bringing within its fold the Sri-Sri Lanka Freedom Party, the Language Front and other “Socialist” parties in the country. Being a coalition, the People's United Front lacks the unity and coherence of a one-party government. This fact is becoming so apparent that the Prime Minister recently called upon his Cabinet colleagues not to air their political differences in public.

The use of English as the language of the administration and higher education, free speech and the system of Parliamentary democracy based on free elections, the supremacy of law and order, above all the British system of Justice—these are the great benefits of British rule in Ceylon. One might well ask the question whether we Ceylonese have reaped the full benefits of this rich heritage. English has been relegated to the position of

a second language, and Sinhalese—the language of the majority—is being used as the official language. The wisdom—or otherwise—of establishing Sinhalese as the official language of the State is not questioned; it is the haste in which English was discarded that lends itself to criticism.

Despite the use of Sinhalese as the official language of the State, English is, even today, the key to higher education and the professions—Law, Medicine, Engineering, etc.; and English is a world language. To conduct all our affairs in Sinhalese only would be to choose the path of certain disaster. Though this is not expressly stated, present State policy inevitably results in all our transactions being conducted in Sinhalese only, with the consequence that, in the not unforeseeable future, we would have gone back rather than progressed as a nation. The Sinhalese Only Act, 1956, by which Sinhalese was made the official language, was passed in the face of bitter opposition from minority communities, chiefly the Tamils. With the passing of this piece of legislation the governing party fulfilled one of its major election pledges. Time alone will show the wisdom of this step. The Sinhalese Only Act, 1956, has been described as a piece of retrograde legislation which affects prejudicially the minority communities, especially the Tamils. It has even been asserted that this law is in direct conflict with Section 29 of the Constitution of Ceylon which safeguards the fundamental rights of the communities that go to make up the mosaic of the "Ceylonese nation."

During the past few months law and established authority throughout the country have been disregarded with alarming consistency. Several police constables were murdered while on duty, and many others have been assaulted and humiliated while performing their official duties. Not long ago a group of Railway Security Police Officers were mercilessly assaulted by an angry set of train travellers who travelled without tickets. The climax was reached when a highly placed civil servant in the employment of the State was manhandled by a group of labourers when the former was carrying out his official duties. The assault on this public servant has become the burning topic of the day. Charges have been framed against several persons in this connection, and the attempts by a highly placed politician to interfere with the course of justice has been widely criticized as endangering the independence of the Judiciary and the morale of the Public Service.

Turning from the political to the economic sphere the picture offers the same bewildering prospects. The economy is mainly agricultural, and is dependent on the export of three major crops, tea, rubber and coconut. The cost of living during recent months has steadily risen, and the continuous labour strikes in the Port of Colombo and on the large tea estates in the country has had a crippling effect. Some of these strikes are engineered by capitalists and by opponents of Government policy, so as to embarrass the Government; others—and this is the irony of it—are engineered by influential members of the Government party itself, with a view to forcing it to follow their line.

Speaking of the unsettled political condition in the country, the Prime Minister, Mr. Bandaranaike, said that the present time was "a period of transition" in the history of Ceylon. No one could predict the future, but it is evident which way the tide is running. In the final analysis the whole thing boils down to whether Ceylon is going to be a Socialist Democracy

or a Totalitarian State. That there is a definite cleavage in the Cabinet of Mr. Bandaranaike between the "Rightist" group who choose the democratic way of life, and the "Left element" who accept revolutionary Marxism as their guiding principle, is well known. Taking advantage of such a situation, the Prime Minister, for the time being, uses a familiar political tactic, *divide et impera*, and exercises his authority over all his Cabinet colleagues, by playing off one party against the other. How long can he go on with this policy?

The future of Parliamentary democracy lies in the policy pursued by the Prime Minister and the Right Wing members of his Cabinet. If their views prevail, we might reasonably expect Parliamentary Democracy to succeed in our country; but if the Left Wing in the Cabinet have their way in matters affecting the Nation—as they seem to be having in almost all major issues—Ceylon will be a Totalitarian State in the foreseeable future. Many people are now seriously wondering whether Ceylon will ever again have free elections. If the views of the Right Wing in the Cabinet are to prevail, the time may come for the Prime Minister to break off from his coalition, where cracks in the edifice are already apparent. The time has come for reckoning. Would he act firmly, perhaps sacrificing his own position, or would he bow to the storm? There is still a ray of hope.

*Jaala, Ceylon.*

EDGAR FERNANDO

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#### QUEBEC NIGHT

*The red logs  
Crisp on the outside,  
The wood solid, being new,  
Are chained to the sleigh.  
The runner drags a cleat for the hill up,  
And the snow is pleated in the logs,  
The snow in the far woods  
Falling.*

#### THE BLUE LAKE

*I see,  
Below the white lilies  
On their pads  
On the blue water,  
Still,  
Where the water nears the shore,  
Down through the clear water,  
The stems of the lilies  
Deep down, to the mud,  
Hanging in shadow  
The black pike.*

RALPH GUSTAFSON



# LITERARY SUPPLEMENT

## DOCTOR GOOCH LOOKS BACK

Readers of *The Contemporary Review*, who have already had a foretaste of Dr. Gooch's memoirs, will welcome the publication of *Under Six Reigns* (Longmans, 25s.). In Victorian England, the first paragraph ends, "I was one of the lucky ones." As such he naturally went to Eton, which in the 'eighties had little to offer to a future Liberal M.P. and historian. King's College, London, was a better forcing-ground and, followed by Trinity, Cambridge, begins the roll-call of famous academic names that runs through the book. They are not only English, for Berlin in the 'nineties contributes among others Treitschke, Harnack, Gierke, and Paris Sorel. Acton rightly has a chapter to himself. If Dr. Gooch disclaims the title of Acton's pupil, he was his friend and won the Regius Professor's high praise for the first of many historical works. *English Democratic Ideas in the Seventeenth Century* failed to obtain a fellowship for the author, but it remains a classic authority 60 years later.

What the university lost, public life gained. Adult teaching and social work in some of the earliest settlements, and association with the opponents of the South African War, led to a seat as a Liberal M.P. in the great parliament of 1906. When Dr. Gooch became parliamentary private secretary, naturally it was to Bryce. Among the Liberal leaders, Campbell-Bannerman won his devotion and in due course Grey's high qualities brought admiration. For Asquith one senses, even in Dr. Gooch's urbane pages, that his admiration was not unqualified. Of two other great Liberal statesmen, Morley and Haldane, he gives us brilliant and affectionate vignettes. If such a character as Dr. Gooch could ever be described as in a fight, he was in the middle of the most heated political controversies of the century, and he it said also the most decisive. At that point, in 1911, also, along with Dr. Scott Lidgett, he assumed control of *The Contemporary Review*.

From 1914 international affairs come to dominate the scene. Among the many contacts with statesmen that follow there is only space to mention the most interesting *verbatim* reports of conversations with Grey, Kühlmann and Jagow on the events leading up to the First World War. The years after 1918 were perhaps the most fruitful in historical publication. The invitation to edit the British Foreign Office documents was a testimonial (as a *Times* leader indicated) to personal character as well as to professional reputation. On both counts it had been well earned and the trust was to be well justified. Current international affairs, however, remained intrusive, and for one whose individual and intellectual ties with Germany were so close, the rise of Nazism was a personal tragedy. It provided one more test in Dr. Gooch's life for a liberalism which, because it was based on a combination of moral convictions with reason, never failed in any challenge. If anyone were now to ask me what liberalism means, and why, somehow or other, its spirit does not die in this country, I should say read *Under Six Reigns*. This cool, in a way even impersonal, record is the autobiography of a great liberal.

The last chapter brings us back, appropriately, to the *confessio fidei* of an historian, of one who has preferred "the quest for truth to its integral possession." "No system," writes Dr. Gooch, "which professes to give all the answers has ever claimed my allegiance." All schools of history should have written over their doors: "The worst treason an historian can commit is to pretend to higher authority, profounder wisdom and greater certainty than he possesses." Not the least part of liberalism is an acceptance of human limitations. Dr. Gooch's last word on history is this: "Certain things, which we may think good or bad, happen at certain times to certain people; that is all we know."

A. COBBAN

## SALVADORI ON LIBERTY

The logic of Conservatism and the logic of Socialism are hostile to liberty. The pillars of Liberal Democracy are (1) *moral* equality: abolition or privilege, equality before the law, equality of opportunity; (2) personal liberty: *habeas corpus*, trial by jury, abolition of serfdom and peonage; (3) liberty of thought, conscience and expression; (4) political liberty: free voting, freedom of assembly and of association, responsible and representative government, local self-government; (5) limited or constitutional government: division of powers, free judiciary, limitation of the rights of both majorities and minorities; (6) separation of Church and State: division between the power of the State and the power of bodies founded on religious belief; and (7) separation of State and economy: the free market and the widest diffusion of *personal* ownership of the means of production. These are the "seven pillars" of Massimo Salvadori, but there is nothing static about the principles of philosophy and political action which they signify. The battle for freedom is always with us, now in this form, now in another, not least because each expansive phase of Liberalism begets new or old anti-Liberal forces from traditionalism and monopoly-capitalism to modern (and often utterly illiberal) forms of nationalism. These in turn demand a new Liberal dynamic and offensive. Despite Locke and the Whig Revolution of 1688, Jefferson and the American Declaration of Independence, the French Declaration of the Rights of Man, Adam Smith, Benthamism and Cobdenism and Millism, even today only 18 member-States of the United Nations are recognisably libertarian democracies in Liberal eyes, and four or five more are on the Liberal road.

Liberty—the autonomy of the individual—premises maturity; maturity implies consciousness of liberty in the mind of the citizen. This is among the great books of the decade. It is a challenge and an exhortation to the service of freedom. To me the author seems too readily to accept the Amery-Laski interpretation of the term, *laissez-faire*; the physiocrat definition, for example, would have been quite different. But he is right to emphasise that liberty must never be reduced to the level of an economic institution. Liberty is not national independence, nor is it truth, nor is it equality. It is not a law of nature, not progress, nor happiness, nor prosperity. "Liberty," declares Salvadori, "exists in the measure in which individuals can reach decisions through the use of their own critical reasoning powers, and in the measure in which they can act on the basis of the decisions reached." He cogently argues for the eternal reassertion of liberty generation by generation. There is all the difference in the world, says he, between those who embrace the dynamic of Liberalism and those who, like Burke, Guizot and Churchill, the Liberal Unionists and the Liberal Nationals, slump into a passive, conservative, sterile acquiescence in the *status quo*. For truth is not an absolute—the quest of it is never-ending. Liberalism, the will to liberty, is ever resilient—eternally young. Massimo Salvadori is among its prophets—a worthy heir of Cavour and Pestalozzi and Croce. With Cavour, he can say: "I will never abandon the principles of liberty to which I have dedicated my career and to which I have been faithful throughout my life." *Liberal Democracy* is *Mill On Liberty* up-to-date, and something more.

DERYCK ABEL

*Liberal Democracy: An Essay On Liberty.* By Massimo Salvadori. Pall Mall Press. Cloth, 15s. Paper, 5s.

## ASIA'S NEEDS

Professor Mills' profound study of Malaya from the first British impact in 1786 down to last year comes to the first anniversary (August 31) of her independence. He gives a good mark to the liberal rule of the pre-war High Commissioners and writes with much sympathy of Great Britain's difficulties

in working towards democratic self-government for Malaya against the mutual antagonisms of Malays and Chinese and the eight ruinous years of Communist rebellion—officially called "the emergency."

In that stony path two landmarks stand out conspicuously: first, the appointment in 1952 of General Sir Gerald Templer as joint High Commissioner and Commander-in-chief, whose driving force went far to break the neck of Communist terrorism and galvanized the supine civil service into useful activity; the other was the Alliance of the leading men in the United Malay National Organization, Malayan Chinese Association and Malay Indian Congress. In the elections of 1955 the Alliance won 51 out of 52 seats: this, together with the gift of independence, has done more than years of fighting to vanquish the Communists no longer able to pose as champions of Malaya's freedom but now conspicuously rebels against a popularly elected Government.

As with the newly independent States of Asia, economics, to which Professor Mills give large and, it must be confessed, rather bewildering space, are the Federation's weak point. The Government has already done much in public works and social services, and plans much more if the money can be found. But under her wise Prime Minister, Tengko Abdul Rahman, Malaya has come so far that she will not fall by the way for lack of timely help.

No government ever was so perfect as what Simone de Beauvoir found in China; everybody is smiling, well fed, well clothed, and nobody feels himself above or below anybody else. Criticisms by "anti-Communists," though based on revelations by the Communists' own papers, she scoffs at and swallows undiluted everything told her by her guide-interpreters. She quotes Mao Tse-tung's dictum that no violence must be used in socializing China, but makes no mention of Po I-po's admission of the killing of 2,000,000 reactionaries, or of the brutal brain-washing of China's most eminent scholars, or of middle-school graduates pushed into farms or factories because only a minority can be given white-collar jobs. One wonders what she thinks of the ferocious "rectification campaign" against "rightist bourgeois."

Mme. de Beauvoir's denunciation of imperialist merchants and missionaries is as to be expected. But her venomous attacks on the orphanages of Roman Catholic nuns are unpardonable. Her statement that the children are starved, neglected and married off to dotards, cripples and imbeciles must be contradicted. The present writer and others (not Roman Catholics) can testify from personal knowledge to the noble, selfless work of the nuns. The Communists' achievements in railway building, heavy industry, river conservancy, sanitation, deserve full credit. But by their own admissions they are strangling freedom of both body and mind and striving to force all Chinese into the narrow mould of Party doctrinairism.

Drawing on his great personal knowledge of three continents, Chester Bowles sets himself to find a way out from the "peace by terror" of the world today, in which "the two camps glare everlastingly at each other breathing hate and destruction." It is an impressive book written with the clarity and exclusion of every fact or comment extraneous to the main point of an English High Court judgment. Mr. Bowles sees the prime problem not so much in Communism as in the fierce nationalism of the uncommitted nations of Asia, Africa and to a lesser extent Latin America. He calls this the Revolution of Rising Expectations. Unless the balance between Western wealth and Asian destitution is redressed there will be a sense of frustration of which the Communists will be swift to take advantage. This gives special interest to the contrast between India's determination to raise herself by voluntary, democratic reforms (Mr. Bowles gives high marks to what she has already accomplished) and the Chinese Communists' Stalinist dictation, the outcome of which all Asia is eagerly watching. The one consolation is that the uncon-

mitted nations are also alive to the Communist imperialism in Tibet, Korea, North Vietnam, and the European satellites, and have no wish for their ancient cultures to be submerged by it.

Mr. Bowles sets out in detail the challenge which the backward nations present to America's vast wealth and power. But how is aid to be supplied? If as a loan, security will naturally be required and screams of "the old colonialism" will burst out; if as a free gift, much of it will go in luxuries for local politicians. In fact, as he says, if needy peoples are to be raised, they must also learn to raise themselves. A long business one fears. Mr. Bowles' absorbing book is primarily addressed to America, but it is one which all should study.

O. M. GREEN

*Malaya: A Political and Economic Appraisal.* By Lennox A. Mills. University of Minnesota Press; Oxford University Press. 30s.

*The Long March,* by Simone de Beauvoir. André Deutsch and Weidenfeld & Nicolson. 42s.

*Ideas, People and Peace.* By Chester Bowles. The Bodley Head. 12s. 6d.

### MIDDLE EAST TENSIONS

One can only congratulate the Oxford Press on its production of two books so excellent; and of the two the cheaper is the better. It is a model of balanced, precise and penetrating study of the Middle East, as it has emerged, with and through the disastrous affair of Suez. The book makes no attempt to disguise the far-reaching effects of that blunder; it takes the Egyptian position on the canal as the fact it is, and weighs it in connection with the past, the present, and the future of the whole Arab area, and traces the change in the position of Britain. Never before have so many facts of modern Arab history been so well assembled. Never have they been stated with such judicial succinctness. The book in short develops the themes of *Middle East Crisis*, that masterpiece on Suez, and applies to the whole area of the production and transport of petroleum. Its most interesting point is that the more Britain insists upon her national past and the more she presses against Russia so much the more will she play Russia's game. The only way to counter Moscow is to follow the example of Germany and show how trade prospers to the extent that it is separated from military strategy.

The second book is the record of a long discussion held in Baltimore by Johns Hopkins University between specialists, mostly Americans but in three cases English. Of these, two were on the high level and one on the supreme height of conscientious competence. This is Mr. Woodhouse of Chatham House, who analyses the situation in Cyprus, coming lastly to the conclusion that in the long run the Cypriots must have their way. But every issue is stated in sequence with the impartiality of an able judge summing up conflicting evidence in the most complicated cases.

In the second book the contributors, two of them on each subject of discussion, show just what the tensions are and how best to deal with them. But one English contributor clashes with the tone of the book in taking the line that (in the words Mr. Macmillan used in June in Washington) the Suez move was "sound, honourable and justified." Was Mr. Goodhart sent to plead the Government case or could he have held as personal opinion his three arguments that Colonel Nasser could not nationalize an Egyptian Company, that Ben-Gurion was justified in making war on Egypt and London and Paris in following him? The arguments he uses are the last word in casuistry and were soon demolished by Quincy Wright, Professor Emeritus of International law of Chicago.

These books are the more valuable because as one of them frankly states the Arabs have not succeeded in making their case clear while on the other hand the Jews have so skilfully managed opinion that they have both parties

with them and indeed the general influence of the press. The fact remains that the economy of Palestine is the least viable in the world and the feverish immigration makes it ever more explosive and more dangerous to Arabs who have no military means to cope with it.

ROBERT SENCOURT

*British Interests in the Mediterranean and the Middle East*: a report by a Chatham House Study Group. Oxford University Press. 12s. 6d.

*Tensions in the Middle East*. Edited by P. W. Thayer. Oxford University Press. 35s.

### CHRIST OR MITHRAS?

History remembers. If the Iron Curtain divides the world today it was dropped long ago. When Diocletian set up the Tetrarchy with twin capitals in Rome and Byzantium in the third century A.D. he traced the frontiers of future centuries. He also recognized a fact. The flow of Greek-Roman culture had reached its furthest eastern limit while its political power continued to spread over Mediterranean lands and at last to reach our own. At the beginning of the Christian era Hellenism meant little to the plateau of Anatolia or the highlands of Syria; nor did it then or later supplant the ancient civilization of Egypt. Religious systems remember also. The Greek Orthodox Church has claimed oecumenical authority since the eleventh century; it has asserted its orthodoxy since its origin. Orthodoxy implies that all divergences from it are heterodoxy. It was an English Statute *De Heretico Comburendo* which gave early legality here, but was by no means a novelty elsewhere, to the doctrine that a man's soul could and therefore should be saved by burning his body. The Tudor century was to provide useful examples of an extension of the practice. Cyprus today inherits memories of an orthodoxy, unquestioned in the Middle Ages and by nature still incapable of question. Varieties of nonconforming Greek communities perpetuate the survival of races subdued by Rome to reluctant obedience.

More significant for the future is the fact that Paganism as the State religion of Rome hardly survived the Republic. The ancient national cult was already moribund in the early days of the Principate. By the time of Claudius it was seen to be dead. Our own island comes into the light of general history with that Emperor. Queen Boadicea seems to challenge our modern Parliament with her spear from beneath Big Ben. A pardonable forgetfulness leads us to absorb four centuries of Roman rule in that exciting introduction. But the cult of the Emperor's divinity had been established under Claudius. He was required to be worshipped, and was worshipped, when Republican religion had ceased to mean anything at all. This was only at the expense however of tolerating native deities and allotting them Latin names, along with others who had travelled far. Among these imported divinities was Mithras, whose Phrygian cap had travelled from the Cappadocian uplands to the edges of the Empire—to excite the astonishment of 80,000 Cockney spectators 17 centuries later when his head and shoulders and the remains of one of his temples were dug out of the foundations of a City skyscraper. Who then was Mithras? Esmé Wynne Tyson sets out to answer this question. The publisher's claim, that the book "solves for the first time" the "major mystery" of the defeat of Mithraism by Christianity, cannot be justified. But it does collect and examine the available sources of information about the god. Franz Cumont (whose work *Les Religions Orientales dans le Paganisme Romain* is quoted from a translation) has described the Mithraic rites so far as they can be derived from the known remains, on which his *Textes et Monuments Figurés relatifs aux Mystères de Mithra* is still the standard work. He admits that much is surmise; much beyond the reach of accepted conjecture. There is, then, a "silence"—whether it be "strange and ominous" as claimed on the author's behalf—about the disappearance of the cult under the impact of Christianity. Her

answer is that the suppression and obliteration of Mithraism was deliberate and systematic in the interest of the Christian faith. This theory is sustained by the London finds. The remains had been buried hurriedly. They were found in close association. What enemy had they to fear? Silence fell on them, not the silence of slow oblivion but rather of swift security. We go on to ask whether and where Mithraism challenged Christianity as a pattern for mankind. The author gives this a full examination in the best part of her book, "Mithras in the Gospels." She contrasts "the Invincible Mithras" with "the Compassionate Christ"—two concepts (she adds justly) "of quite diverse excellence, appealing to men of completely opposite characters." So it may be left. It is not Mithras who has proved invincible.

W. THOMSON HILL

*Mithras: The Fellow in the Cap.* By Esmé Wynne-Tyson. Rider. 15s.

### POEMS

Sincerity is the keynote of all Lord Gorell's poetry, and this is again evident in his new collection. Mostly short poems, many of them express poignant tributes to her whose loss is still acute, but whose spiritual presence he likens to "a fresh pure breath of English spring." In longer poems the poet has described with imagination and sympathy the last thoughts of two very different beings, Shakespeare and Napoleon. The Emperor, tragically fallen from all his greatness, speaks:

I am but monarch of a mightiness  
Crumbled, decayed, frustrated and despoiled;

France is no more my own—distracted France,  
She lay hag-ridden and with blood-stained brow;  
I gave her greatness and a unity.

He sees passing before him "Ney the all valiant, Soult, Murat and Junot, all gone, never to return." And then the great retreat: "From those dark steppes of wastage and of woe." In the long poem picturing the last hours of Shakespeare's life Lord Gorell reveals his love for and close knowledge of the dramatist's works as well as his acute study of the mind behind the plays. Shakespeare, reviewing his tremendous out-put of works, acknowledges:

I have wrought fiercely, endlessly till now—  
Sometimes, it seemed, too swiftly with that pen,  
The thought outracing capture by rich words  
In the enchantment of a golden glow.

Lord Gorell is faithful to traditional forms and shows a clarity of expression which will be welcomed by his readers. There is no cloak of obscurity. In his epigram "Shudders" he rightly censures a critic, and at the close of his sonnet to St. Francis of Assisi there is a note of abhorrence at the modern commercialising of the saint's home. The message the poet offers to humanity is summed up in his lovely line: "Let ours be Beauty whilst we live." This new collection will give pleasure and solace to many.

THEODORA ROSCOE

*All my Yesterdays, and other New Poems.* By Lord Gorell. Murray. 10s. 6d.

### AN ASSORTMENT OF HISTORY

*Speech is of Time* (Cassell. 18s.). "Silence is of eternity," added Carlyle, but this is no reason for depriving our generation and its successors of the spoken words of the wise statesman of Canberra. Robert Gordon Menzies has collected some of his post-war addresses on issues concerning the Commonwealth, Winston Churchill, the Middle East, and science and civilization. These are substantial essays—with no statements in need of retraction—to guide future students of history and to help the technology-haunted humanitarian of today.

*Survey of British Commonwealth Affairs 1939-1952* (Oxford University Press. 63s.). Under the kindly eye of Chatham House, Nicholas Mansergh presents



the family co-operating in war, tackling the changes it brought, and seeking solutions to the problems of international relationships. The Smuts Professor of the History of the British Commonwealth at Cambridge concludes his vast analysis of constitutional, political and economic aspects with the accession of Queen Elizabeth II; any bickering within the circle seems but to emphasize the solidarity.

*Democracy in France* (Oxford University Press and the Royal Institute of International Affairs. 18s.). David Thomson, Master of Sidney Sussex, Cambridge, issues the third and revised edition of his masterly enquiry into the Third and Fourth Republics at the moment when the legacy of Vichy is making possible "the surrender of so much authority to General de Gaulle."

*What are the Problems of Parliamentary Government in West Africa?* (Hansard Society. 15s.). The Conference at St. Edmund Hall, Oxford, under the leadership of Geoffrey de Freitas, M.P., is now reported. The background of Nigeria, Ghana, Sierra Leone and the Gambia is filled in with the first five papers, and elections, Parliament, Civil Service, and the looming question of Federation are some of the subjects that follow. Stephen King-Hall's Foreword indicates the difficulties to be encountered through inexperience, and the book—which might have included a map—should smooth the way for native administration and Whitehall both.

*NRF* (Eyre and Spottiswoode. 25s.). The title stands for *Nouvelle Revue Française*, and some of the most significant of the journal's articles from 1919 to 1940 are collected, edited and introduced by Justin O'Brien. Here is a Gide, a Saurat, a Valéry among those contributing to "Aesthetic Attitudes"; a Malraux, a Claudel to "Judgments and Appraisals"; a Bergson to "Principles and Credo's"; a Maritain, a de Montherlant to "Social Commitments." Here is presented the French mind at its best in diversity, a cloud of witness to politics direly invading literature between the wars.

*Steps* (Cassell. 30s.), short for Stories, Talks, Essays, Poems, Studies in history, by the sage of Majorca. Robert Graves continues to combine formidable scholarship and irrepressible effervescence, and can frequent alluring by-ways of learning while he looks behind the public face of a film star. This garnering of recent writings and lectures and some new poems goes gratefully to join his other books at finger-tip reach. One envies the girl students of Mount Holyoke College who heard him on "Legitimate Criticism of Poetry" and is sorry for any rash generaliser on classical lore who ventures within ear-shot or eye-range of this practised pouncer.

*The Image of the City* (Oxford University Press. 25s.) and other essays by Charles Williams have been selected by Anne Ridler who pays a brilliant pupil's tribute in a long, exacting and rewarding Critical Introduction. Dead these 13 years, Williams lives on in the growing admiration of his work, and new readers and old disciples will be glad to have this selection representative of his chosen themes.

*A History of the National Union of Boot and Shoe Operatives* (Basil Blackwell. 35s.). Alan Fox, Research Fellow of Nuffield College, unfolds in nearly 700 pages the chequered story of 80 years' development, from the day when 25 workers from England and Scotland converged upon a meeting-hall in Stafford to the Welfare State era when the shoe operative "lives in a far less menacing industrial context than his predecessor of the 'nineties, whose chances of dying from phthisis were nearly double those of the average worker." Naughty 'nineties indeed, and not so drab 1950's!

*Culture and Society 1780-1950* (Chatto and Windus. 30s.). The one is expanding within the other and Raymond Williams, instead of wasting energy in regretting the fact, is concerned to show how far the Industrial Revolution is linked with the modern idea of culture. The book "thus becomes an account and an

interpretation of our responses in thought and feeling to the changes in English society since the late eighteenth century." Contrasts are provided in Burke and Cobbett, Southey and Robert Owen, and the concepts of Mill and Carlyle, Newman and Matthew Arnold are analysed and clarified. The Romantic poets and *Mary Barton*, *Hard Times*, *Sybil* and *Felix Holt* are fitted into the pattern, and Pugin, Ruskin and Morris are there no less than Tawney, T. S. Eliot and Orwell. The author gives light, warmth and hope, expectant as he is of side-by-side artistic and social advance.

*The Blackcoated Worker* (George Allen and Unwin, 21s.). David Lockwood's aim is "to determine how far clerks and manual workers may be said actually to have shared the same class position at different stages of industrial development." The counting house, the modern office, and trade unionism have their sections, and ideas bound up in such terms as "status," "prestige," "social standing," "snobbery," and above all in the word "class" itself, are traced to the source.

*A History of Chipping Campden* (Shakespeare Head Press, Eton, Windsor. 30s.), by Christopher Whitfield, begins with Domesday Book, surveys the fourteenth century wool trade, the effects of the Reformation, the opening moves of the Civil War in the Cotswolds, literary associations, the coming of the railway, artists and craftsmen and, ruefully, increasing urbanization. Yet to the entranced visitor at least, the façade has the beauty and peace of which the many photographs in the volume are eloquent reminders.

*Pick of Today's Short Stories* (Putnam. 15s.). The ninth in the series is edited as usual by John Pudney, with whose recipe for an "unabashed desire for entertainment" few readers would quarrel, or deny gratification in the result. The 21 contributions have the authentic bite, snap and swiftness—"instant and lucid characterization" is the editor's smoother phrase.

*The Abbey Theatre* (Hollis and Carter. 21s.). With the news of the death of Lennox Robinson, that darling man of Dublin, came Gerard Fay's account of "the cradle of genius" wherein Yeats, Synge, O'Casey and the rest robustly cried and gurgled. To read these pages is to realize afresh the debt the world owes for the actors who learned their trade here, and it is a graceful climax that the London Editor of the *Manchester Guardian* should self-effacingly tell the story of a venture and a fame to which his own family have been so closely bound.

*A History of Spain* (George Allen and Unwin. 30s.). From the University of British Columbia Harold Livermore sends a welcome addition to the ever-fascinating study of the region in antiquity, of its Roman, Visigothic, Muslim, medieval eras, and of its Hapsburg and Bourbon episodes. With the régime of the Caudillo, and the 1939-1945 war drawing to a close, "it was inevitable that the victors should pass some form of judgment on his equivocations." For all who love the country, who admire its people, and detest the dictatorships—whether of Church or State—that hound it, Mr. Livermore's calm approach is an indispensable guide to history that is still very much in the making.

*Motif I* (Shenval Press. 20s.) is a gaily-learned picture-riot of a tailpiece to these notes. The first number of a new journal of the visual and graphic arts has chapters on photography, illustrations, illustrators, type foundry, type face, decorative printing, art students, recent sculpture, posters, theatre bills, and many other requisites one would presume for the enthusiastic support of a stiff-covered magazine that is stylish, informative, and amusing. The next numbers appear in February and June. No advertising seeks "to prove the validity of our editorial conception by attracting to our first three issues a growing number of reader-subscribers." Good wishes and *bonne chance*!

GRACE BANYARD

# CONTEMPORARY COMMENTARY

## INTRODUCTION

**T**HIS is the second of a series of supplements to Contemporary Review sponsored by the Group that produced The Unservile State (Allen & Unwin, 1957). Subjects to be dealt with in the future include "The National Farmers' Union as a Pressure Group" (April) and "The Public Corporation in a Free Society" (July).

The members of the Group share a liberal outlook; some of them are actively engaged in politics as Liberals. The Group, however, does not speak for the Liberal Party, and its individual members are not necessarily committed to all the views expressed here. A list of members appears on the back page.

As always, we should welcome comments from readers. Letters should be addressed to: The Editor, Contemporary Review, 46-47 Chancery Lane, London, W.C.2.

## THE MORALS OF MANAGED MONEY

**T**HIS is an edited transcript of an argument recently held in an Oxford college between three members of the Unservile State Group. The speakers are:

Nathaniel Micklem, sometime Principal of Mansfield College, Oxford;

Neville Ward-Perkins, Fellow of Pembroke College, Oxford;

Peter Wiles, Fellow of New College, Oxford.

The dialogue is followed by a Comment by:

George Allen, Fellow of St. Edmund Hall, Oxford.

**MICKLEM:** I offer the following as my preface to our discussion about money and monetary policy. I am not an economist and cannot speak your language. Theology no longer gives directives and first principles to the sciences. There are many sciences, each with its own frame of reference, its special field, its own methods, its own language. There is also what we may call a hierarchy of frames of reference, the ethical being higher in the hierarchy in virtue of being more universal. The economist as such is legitimately concerned with assessment, statistics, mathematics but, when economics is applied to political or sociological issues, a consideration of the ethical cannot properly be eliminated. I suggest that economists have tended to neglect the ethical. Personal ethics are not directly applicable to economics, just as they are not, for instance, applicable to law or foreign affairs. It is for you economists, and not for me, to relate ethics to your special discipline. My presupposition, then, is this: economics is not directly concerned with ethics, for ethics and economics are separate disciplines, but in the application of his science the economist can no more neglect the ethical than the sociological. The economic life of a people cannot be satisfactory or stable if it be based upon neglect of those ethical principles which should pervade the whole of the nation's life.

First of all, then, I start from inflation. I will not offer a definition of inflation, lest we spend the evening discussing that definition. But inflation is an undisputed fact, and with some a policy. Now if it be the case that inflation as a policy or inflation that could be prevented and is not prevented involves "deceit, misrepresentation, breach of contract, injustice," then it would involve an element of moral rottenness in the public life.

Inflation can be illustrated by a "Dalton." You can now sell your holding of one hundred pounds for £49 10s. or thereabouts and you know what £49 10s. is worth in comparison to what it was. I think that raises a moral question, because inflation is not an act of God but an act of politicians. When we entrust to the Government the sole right of issuing money, isn't that an implied contract that, so far as is humanly possible, the value of the money shall be kept stable? Inflation is defended on the ground that it is profitable for debtors who are assumed to be the poor. But, in the first place, it seems to me to be obviously immoral that the Government should inflate its way out of the National Debt, and in the second I would point out that the "poor," the proletariat, the masses are, in virtue of pension schemes, themselves now long-term creditors. Inflation is an injustice. It is also deceit, because as a policy it works so long as the masses are deceived and no longer. It works so long as I don't buy a saucepan because the price is high, and I save; but next year I buy two because prices are steadily rising, and I shall want another one soon, and I thus spend more than I need to. Then the time comes when I buy 20 saucepans because they will at least retain something of their value. That, I suppose, is why inflation has been called "the opium of the people." I put it to you, that this is a moral issue as well as being an economic issue.

My second point is that as an outsider I find it hard to think that a national budget can be morally defensible if it is constructed on principles which in the case of a family or a company would be clearly a breach of moral obligation. In a family budget I think what I need or want, see what I can afford, and decide what I must go without. In so far as a government says: "We want so and so, and our employees want a rise in wages; we will raise the money by taxation (but now we think of it we really can't raise taxation), or by borrowing it (but, now we think of it, the interest on the National Debt is already £725 million a year), very well then we must do it partly by printing notes" (of which £700 million have been pumped into the economy in the last six years), I should say this is a moral as well as an economic issue; and if you say that now I am talking of politicians and not of economists, I admit it. But the Government does not act apart from its economic advisors, and I submit that these policies would not have been adopted if the economists had not neglected the ethical aspects of their subject.

My third point is very much in the form of a question, as I am out of my depth here. Inflation is a form of deceit. The Government follows policies without revealing the cost of them. It dare not reveal the cost, for inflation is a mode of deficit spending. A government, and only a government, can create credit without backing and spend money it has not got. Is there, or is there not, a moral aspect of that question?

My fourth point is this: a contemporary of mine, to whom as an undergraduate I lent a book upon Syndicalism, returned it with the observation that politicians get into even worse trouble than theologians if they forget original sin. This applies, I submit, to economists too. At the heart of our present troubles lies the fact that monetary value has become the plaything of the politicians. I hope we shall not spend the evening discussing the Gold Standard. The Gold Standard has, no doubt, its grave disadvantages, but it has the supreme merit that it prevented politicians monkeying about with the exchange value of the pound, and the separation of the nation's medium of exchange from the day-to-day policies of government is as much a necessary principle of freedom and good government, in view of the moral weakness of politicians, as is the separation of the judiciary from the executive.

My fifth point: I can well believe that there are occasions in public as in private life when it may be proper and right to ascribe to a commodity a value that is not its true or market value, but I find it hard to think that the economic life of a people can safely and honourably be constructed upon the principle of ascribing a fictitious value to a commodity, in this case money, which has a known though variable market value. Is there not an ethical aspect to the fact that the phrase "a pound sterling" has now no meaning? The Government itself does not ascribe one meaning to the term. At one time, I am told, there were 40 different rates of exchange quoted on the New York market, though these are now reduced to three. I am not here blaming governments or economists except in so far as they accept this situation. If you say that your pound is worth that which is not its market value, then in every transaction upon this fictitious basis some party is unjustly treated. It is a matter of moral urgency, as well as of economic desirability, that every effort should be made to achieve the stability and genuine convertibility of the pound, and that all forms of government expenditure, especially deficit spending, which prevents the achievement of this end are open to moral censure.

Sixth and finally, I suggest to you, but with proper hesitation, that it is a principle of commercial morality that a product issued, whether it be a motor-car or the mint's issue, shall, subject to the common good, pass wholly into the possession of the person who lawfully acquires it. Now I readily admit that such institutions as capital investment committees, exchange controls, import licences and the like are in intention aimed at the common good. I am not disputing that they may have been a temporary necessity; but in fact our currency is so hedged about with restrictions that it is not so much money as coupons available only for certain purposes. It is not honest money.

I put these points to you as an outsider who is not an economist and cannot speak your language. I am only wishing to be corrected, as I desire to be instructed, by you. It is your business, not mine, to think out the relations of ethics to your special discipline. It is as a moralist treading treacherous and unfamiliar ground that I submit to you my thesis that on moral grounds we must get in the forefront of Liberal policy first, the end of inflation by limiting the output of paper money and by reducing government expenditure; second, a policy which will separate the nation's medium of exchange from the temporary expediencies of political parties, whether by the Gold Standard or some better substitute for it; and third, the convertibility of a sterling duly stabilized. It is for you, not for me, to say how far this policy is possible and what are the ethical issues here involved.

WARD-PERKINS: Inflation is not a policy, though it can be the consequence of other policies. It is, in fact, largely a legacy of the war and of certain consequences of the war. I think you could say that a rising price level in this country has been due, not to conscious government policy, but to certain factors which no government has been prepared to halt. Now Micklem lays a great deal of emphasis on the moral aspects of a stable currency, but you cannot just isolate money as the only subject about which we will pass moral judgments. I do agree with Micklem that, other things being equal, the best thing would be an absolutely stable value for money, which should have the same purchasing power year in and year out. Practically every economist would agree that this would be a good thing. But in order to achieve such stability you might have to sacrifice other things. In order to have stable money you might have to have a good deal of unemployment, and this is a moral issue. In order

to have stable money you might have to sacrifice a high rate of economic growth. Now I am not one of those who bow down to economic growth, but it is fashionable to say that we should have a high level of investment in this country and it is true to say that we should have a high level of productive investment. We have to be competitive in this world, since other countries are investing heavily. Wiles believes in this more than I do, but he is particularly conscious that other countries are maintaining a high rate of productive investment and we have to keep up with them. And there are other things besides this which we might have to sacrifice. It is generally accepted that a state should carry out certain social services such as providing for health and education. We also feel that a state has to provide for security. Since the end of the war, we have undoubtedly been forced into a higher level of expenditure than our resources could tolerate. That too is a main cause of inflation, though not conscious government policy. Governments could have cured it, but only at the cost of some of those other factors. There is a conflict of moral issues.

MICKLEM: A word here. I think you say that inflation is not a policy. I understand that to certain sectors in the Labour party it is a policy. They think it is a good thing to have 3% or 4% inflation year by year. You speak of the things you might have to sacrifice if you stopped inflation, such as full employment; but 3% or 4% inflation apart from increased productivity, which is very much what we have, means that in about 20 years prices are doubled and savings halved.

WARD-PERKINS: Do not get me wrong. I would agree with you. I would always agree with those who wish to stabilise prices. There are some economists who are prepared to accept—if not 4% inflation, for I do not think any economists in their senses would be happy with this—a 2% increase every year. I think this is wrong. Some economists say you will not be able to prevent a 2% annual rise, and that is very nearly the same as advocating it.

WILES: Well, I have personally evolved from an economist saying "You will not be able to prevent 2%" to one positively advocating it. Formerly, I had made the prediction—which is surely perfectly correct—that you cannot stop it; now I further understand that economic growth, in the institutional framework which we have—and I think this is a very important qualification; granted our trade unions, granted our passion for full employment, granted our social service system—you cannot get an adequate rate of economic growth without a 2% per annum rise in prices. Even that may be too optimistic: if you want, under our institutional framework, an adequate economic growth, I would say that indeed you might well have to accept 4% per annum as the rise in prices. Well now, that, as Ward-Perkins has said, is itself a moral question. But it is also morally good that there should be growth in the real national income. Not being a Buddhist, I am myself convinced that increasing prosperity is for the moral good. However, what has very much impressed me in what Micklem has said is that such an annual rise in prices entails certain elements of cheating, though I do not myself accept his contention that the solvency of the Government is a moral obligation on politicians. More, it is entirely clear to me that the existence of a number of rates of exchange in the pound sterling in foreign parts is not in itself immoral. It might be immoral to pretend that there were no such things or to have legislation not accepting the existence of a number of rates of exchange, and it is immoral to impose such a state of affairs upon existing holders of sterling in foreign parts; but the thing by itself, the existence of multiple rates, does not seem to me to be immoral. This is merely one aspect of what



Micklem calls the fictitious or coupon-like nature of managed money, and I can see nothing immoral in making that change in the nature of money provided it is openly advertised.

However, what I cannot answer Micklem about is that after all the whole process of this annual rise in prices involves a deceit. It only works if some people are prepared to hold money under the mistaken impression that it will retain its present value. If no one at all were under that impression, then the issue of more money would instantly bring about a rise in prices so great as to cancel out the advantage to the person who issued the extra money and the whole object of issuing it. That is, the issue of extra money is an advantage to the person, namely the Government, who does the issuing. I cannot get round the fact that this is the practice of a deceit upon the public. Another point which Micklem did not mention also involves deceit: at the moment when devaluation is about to happen (and as we know the pound sterling does depreciate more rapidly at any rate than some currencies in this world, and therefore must be devalued in relation to them) it is undoubtedly necessary for the Chancellor of the Exchequer to lie. He must say he does not contemplate devaluation; otherwise there will be speculation against the pound which will lose him at least half the value of the devaluation. This involves him therefore in straight mendacity, and that too is a moral issue. So there are at any rate these two points: the deceit practised upon foreigners and other persons who are in a position to convert their money into foreign currency just before a devaluation, and the deceit practised upon all people who keep money as such, rather than equities or (should there exist such things) gilt-edged securities attached to the cost-of-living index. These two elements of deceit seem to me to be necessary consequences of the continuous rise in prices, and the rise in prices in its turn would appear to me to be a necessary consequence of the determination to have full employment *and* economic growth *and* our present institutional set-up. I have not yet any solution to these problems, but I think that a large part of your accusation stands.

WARD-PERKINS: I do not take such a pessimistic view of the possibility of stabilising our price level without sacrificing a high rate of growth. I think first of all we must realise that, even despite 20 years of inflation, the level of personal savings is higher in this country than it has been at any time since 1913, and this is a very extraordinary fact. At the same time it is company savings which are, and are likely to be, really significant. The institutional set-up of companies will encourage them to save, that is, not to distribute their profits in the form of dividends. And it is perfectly possible, with a little gingering-up of politicians, to have the requisite level of national savings, which raises problems of budgetary policy we must discuss here. I believe this becomes a political and (if you like) a moral issue, so I do not believe it is impossible to have a high rate of growth and a stable currency.

MICKLEM: But all you have demonstrated is that it is not impossible to have a high rate of growth and a high rate of saving in a depreciating currency.

WARD-PERKINS: I agree, but my second point is that the post-war situation has been very inflationary because we have a very high level of armament expenditure. This may continue, and I think if it does that inflation is almost inevitable; but assuming that this armament expenditure can taper off, the pressure will lessen. Then we have had a high level of investment of a purely replacement type due to the lack of investment during the war. And we have had a high level of technical investment due to the innovations which were thrown up by the war, and I think

this too will taper off. Economists feed the passion of people for novelty, and I think that in this country growth is often equated with novelty. We have a high level of investment on things whose novelty may wear off in the next 10 years. We are not now throwing up the new inventions at the rate which will require investment of this kind at such a high level.

MICKLEM: May I interrupt a moment? Would you be prepared to deny that investment is in fact being most unsatisfactory or inadequate? Only 25% of the national savings has gone to private industry, which produces about 40% of the products and 96% of the exports.

WARD-PERKINS: We are getting on to the technical aspect; I am afraid I started it. May I go on to ask Wiles one question? It is not simply a question of deceit, is it? It is a question of exploiting the bargaining power which you have. For example, deceit may be involved when you have discriminatory exchange rates. It is involved when you allow trade unions to push up wages and old-age pensioners to suffer. It is involved again when you enforce an unfavourable barter of your coal for Danish agricultural products and such like. All this is just simply deceit, or at least exploitation, in these cases where the weaker party knows it is being exploited but can do nothing about it.

WILES: No, I do not think I agree with that. It is always possible that some large country should import most of what some small country exports. We buy Danish bacon, and whether we are inflated or deflated we exploit the Dane in the sense of using our bargaining power to drive down prices of bacon. And the same applies *mutatis mutandis* to a trade union. And this does not seem to me at all the same as actual mendacity; for that is precisely the duty of the Chancellor of the Exchequer during the one or two months preceding devaluation. These seem to me to be morally two quite different things.

MICKLEM: But surely they are both involved in a case of inflation.

WILES: No, the Danish bacon case is not related to inflation. It might happen any time.

WARD-PERKINS: Yes, but inflation does probably increase the feeling among many people that they can get something for nothing. This is the whole basis of the process: if you get the public recognition that inflation is permissible, if the Government and the politicians tolerate it, the pressure to oppress the weaker sectors becomes stronger and stronger. There is no official public programme for this—it just happens naturally. The fact that the Chancellor of the Exchequer has to lie before a devaluation is one of the reasons why any self-respecting Government must say we cannot tolerate devaluation as a weapon, and this is one of the great weaknesses of the Labour Party, or certain sectors of left-wing thinking. They can cheerfully tolerate a rise in prices because, they say, this will always be looked after by devaluation. I agree with what Micklem here says, that it was much more satisfactory when the pound had a stable value. If you can't accept this discipline, then it would be better to accept the position that the pound's value should fluctuate daily and that individuals should make their own assessment of future values. This would end the one-way gamble, the speculation which puts such big gains into the pocket of the man who does not believe the Chancellor—and the immoral aspect of devaluation is that you defraud those people who have confidence in you and you put money into the pockets of all the charlatans who are wise enough not to believe you. That is why I do not like devaluation. I think it is morally indefensible.

MICKLEM: Yes, unwilling as I was to define inflation, I still want to know what you men are meaning by it because, subject to correction, I

understand by it the increase of the quantity of money, including credit and so on, without any increase in the need for money, thus reducing exchange value. Is that what you mean by inflation?

WILES: No, my own feeling is that a mere increase in the quantity of money—after all it is simple Keynesian theory—may merely lead to an increase in the quantity of output, in which case it is ethically neutral and economically good and therefore, indeed, possibly ethically good. Whereas, what I am worried about is the element of deception involved in getting people to save money while it has one purchasing power and hold it until it has a perfectly different purchasing power. In other words, the moral aspects of inflation are entirely bound up with fluctuations in the purchasing power of money and not with fluctuations of the quantity of money at all. This, after all, is why in 1819 and again in 1925—that is, when after a major war the country faced the question of the resumption of gold payments—we refused a devaluation that would have been profitable to us. We said it would be cheating, and in a way we were right.

WARD-PERKINS: I think the point that you are making, Micklem, is that the increase in the quantity of money is the cause of inflation. Now I do not think that is necessarily so at all. Inflation can take place without any increase in the quantity of money. Indeed it may be necessary to increase the quantity of money because inflation has taken place. We have a rise in prices, and as a result of this we want just that more cash in order to finance ordinary transactions. In this case, a rise in the quantity of money has no causative role at all; it is just a necessary reaction by the Government to make our life more convenient again. If the Government, for instance, had not increased the fiduciary note issue, we should find life very difficult. We should all be short of cash. But the point of substance is that one of the reasons why inflation can take place is that the Government itself is able to borrow money much more easily than anyone else. There should be checks on the Government's ability to borrow money from the banking system. Such borrowing is undoubtedly inflationary, because it makes it possible for the Government to finance its own transactions indefinitely. However, to limit the quantity of money in this way would be equivalent to saying: we agree that the Government ought to have a health service and pay doctors so much; but having agreed to this to refuse the Government the means of finding the money to pay them. We should go back to the electorate and say: "No, if you have a health service, you cannot have colour-television or sputniks."

MICKLEM: May I ask a question? I am genuinely puzzled about this. In one sense I quite clearly see that the amount of money in circulation is the right amount. It is what's wanted. On the other hand it is also true that without any notable increase in production we have increased the quantity of money by £700 million in six years. That must have reduced the value of money.

WARD-PERKINS: No, for the value of money has not been reduced because of the increase in the amount of notes: I mean the amount of notes necessary to finance transactions on a higher level. The inflation has taken place because continuously over the years we have asked from our resources in the various claims more than those resources get.

MICKLEM: But we are running into debt.

WILES: Well, no. The question is whether any policy leading to a rise in prices and therefore to a fall in purchasing power of money is moral, not whether increases or decreases in the quantity of money lead to rises in prices. I think that you have started with this error which vitiates some, but not all, of your criticisms; that it is the *quantity* of money which

we have to watch. Surely, fiddling with the quantity of money is merely a question of expediency; what we are after is fiddling with the price level, whether in terms of foreign currency or in terms of home goods. That is the point at which deception arises.

MICKLEM: I have an authority for what I say, haven't I?

WARD-PERKINS: No, not later than 1936, at least.

MICKLEM: "The ineluctable consequence of unlimited increase of fiduciary media is diminution in the exchange value of money." That is Ludwig von Mises in the revised 1953 English edition of *The Theory of Money and Credit*. But what I said about budgetary policy was that an honest man, an honest company, may say: "I want so and so, how much can I afford? If I buy this, what must I go without?" Whereas the Government has been saying: "We want so and so, and our employees are wanting much more pay. We will pay for it by taxation, but we really cannot raise taxation now, or by increasing the National Debt, which is overwhelming already, or by printing more notes." Is that not so?

WARD-PERKINS: Let us leave aside the problem of the National Debt for the moment. The economist today would maintain fiscal policy has a number of objectives, some of which may be conflicting. The first objective clearly is to raise the money to pay for what the Government decides to do, which is presumably what the electorate wants them to do. But the budget is also seen as a means of curbing inflation. Since the war, every Chancellor of the Exchequer has used the budget to curb inflationary pressure in this country, despite their natural inclinations as politicians to give away something with each budget. At the same time, they want to achieve other things, such as a high level of investment; the budget has generally had various devices designed to increase the level of investment. Then there is the question what amount of expenditure a government should finance out of its own revenue. Now no company would finance investment out of its own revenue. Most companies finance investment out of borrowing, like private individuals. When we want a house we think nothing of going to a building society and borrowing from them. We do not think this is immoral, and therefore one might think it perfectly reasonable that if a government carried out an investment policy which is going to increase prosperity, they should finance it by borrowing. Since the war, current expenditure by the Government has been more than balanced by the revenue receipts. Some people would say that the Government ought to finance everything it does out of revenue. This is surely asking too much. So I do not think you can say that since the war the Chancellors of the Exchequer have been adding to inflation by their budgetary policy. Perhaps they have not been tough enough in their attempts to curb inflation, but they have not been adding to inflation.

WILES: Why did you stress, among the various means by which the Government gets command over resources, the distinction between borrowing on the one hand and taxation on the other? Is it something to do with their different effects on inflation?

WARD-PERKINS: Yes, indeed, I think it is quite clear that when the Conservative Government reduced the level of personal taxation, this was accompanied by an increase in personal savings.

WILES: Quite, but why is it any more right to finance road-building out of borrowing than out of that taxation which is associated with dis-saving?

WARD-PERKINS: Well, you can do it one way or the other, I do not mind. But I think there is a difference between current expenditure by the Government and capital expenditure—I mean anything the Government does which adds to the capital wealth of the country. Other

things being equal, it is quite fair to finance this by borrowing.

WILES: Well, I do not think there is any moral issue here at all, but I am perfectly indifferent as far as ethics go whether the Government finances all its current and capital expenditure by borrowing or all its current and capital expenditure by taxation, or whether it divides them on some principle or other. I cannot myself see why Micklem thinks it is moral that the Government should behave like a private enterprise in this matter. I do not accept at all the parallel between the Government and the private enterprise or a private person here. I do not see why it should not borrow everything and I do not see why on the other hand we should not say to it that it should borrow nothing whatsoever. All this seems to me to be purely a question of expediency, a purely technical question of economics (mainly inflation-control) and involving no question of deceit, no question of lying, no question of an ethical character at all—except in so far, of course, as the Government's policy may contribute to a rise or fall in price levels.

MICKLEM: Is there any instance in history of a nation getting involved in an enormous debt even approximating to our debt and not repudiating it, and is there no moral question of imposing upon our children £725 million a year interest on the National Debt?

WILES: But which of our children? This is surely a most unfair question. My children—I am a rich man—will inherit *credit* on the Government. It is someone else's children who will inherit the duty to pay the balance of interest due to them above the contribution they themselves make through taxes. You have stressed that by Government borrowing today we hand to "our" children a debt. Why have you not mentioned the corresponding credit? Anyway, this seems to me to be a perfectly different question from that of the price level—though I don't suggest for a minute it is fair for my children to have more of the national debt than other people's.

MICKLEM: But my question was about repudiation.

WARD-PERKINS: So far, ever since Charles II, British governments have not repudiated any part of the National Debt. I see no reason why they should do so in the future. As for your question of the burden of the National Debt, as long as it is owned by nationals internally, there is no burden at all so far as the nation is concerned. It is merely a problem of servicing the National Debt by taxation. This is a problem involving the redistribution of income of the £725 million which is the present cost of servicing the National Debt. Much of this comes straight back to the Exchequer in tax, and moreover a good deal of the debt is owned by the Government. This is a flea-bite in the national expenditure and does not really involve any problem. Therefore I do not think that the burden of the National Debt enters into it at all. If it gets to a stage of being a redistribution of 20% of the national income every year then it might be difficult, but it is not like this. If it gets to that sort of level something would probably have to be done, but in fact the total burden of the National Debt is rather less now than it was in 1938, and that is worth knowing.

WILES: It would be immoral to incur so big a National Debt as would necessarily involve repudiation. But we are of course, very far from having got into that position and therefore the question does not arise.

MICKLEM: Someone said recently that we have pursued policies in this country for 200 or 300 years or more that have built up a certain climate of opinion as to what the Government ought or ought not to do, but if we pursue a policy of inflation in the sense that we have just



been talking about, we shall change the whole set of public opinion and attitudes. So that the Government itself will come to act in a different way and perhaps gradually come to act, say, like a South American Republic. The whole climate of opinion can gradually be changed. Isn't this one of the fundamental issues behind what you are saying?

WARD-PERKINS: Well, I think I will stand half-way. I do not accept the necessity for this 4% annual increase in prices, and moreover I think that it is absolutely incompatible with a private enterprise system where wealth is held by private individuals and contracts are made in money. Once this idea is accepted, you breathe what I might call the psychology of inflation into the system, and this eventually leads to a complete breakdown.

WILES: But aren't there many signs of "breathing" in that manner? Francophile economics is of course almost a contradiction in terms, but it is surely absurd to suggest the French economy is anywhere near any sort of breakdown. And isn't it an established fact now that builders want a write-up clause in all their contracts, to protect themselves against wage claims and higher raw material prices?

WARD-PERKINS: This is two years out of date, I think.

WILES: I thought the Local Authorities were *trying* to make a fight against this now, but unsuccessfully. I don't doubt they *want* contracts and tenders which do not include a write-up clause.

WARD-PERKINS: Disinflationary policy, as adopted by the Conservative Government, is largely acceptable on the "breathing-space" argument. We have got to check inflation psychology, which Wiles has accepted. I do not think it is necessary to hold that prices will go on rising; they have been checked in other countries, and I do not see why we should not check them here. If the cost of stable prices were a permanent situation of stagnation, then I would accept a rising price level. But I believe that we can have a reasonably high level of investment plus reasonably stable prices. The thing people often forget is that between 1815 and 1914 the price level remained constant—granted this was a period where we had a very high level of growth and overseas investment.

WILES: But we were not committed to full employment. There was a periodic showdown.

WARD-PERKINS: I think this argues for wage discipline, or some kind of wages policy, which is slightly outside this particular context. But again, I believe this is accepted.

WILES: I do not believe that wages policy *is* outside this particular context. On the contrary, it seems to me to be slap in the middle of it. That is, I entirely agree that you can combine, in certain circumstances, a high rate of growth and full employment and stable money, as the post-war experience of the Soviet Union demonstrates. But, of course, these would be highly particular circumstances: the very radical revision of our whole social structure, namely an entire crippling of the trade unions and the determination, in our case (not in the Soviet case) to re-value the pound upwards at intervals in order to cancel out the effect of foreign inflation, which of course would continue, since foreign countries would remain in our present condition, thus driving up the prices of our imports whatever we did. Now such an entire change in our institutional structure is, of course, worth talking about after dinner, after a good meal, but it does not seem to me to be politically at all practicable. I myself would welcome such a change, as you possibly know. I am utterly hostile to the whole conception of trade unions, which I consider to be thoroughly immoral and also thoroughly inefficient from an economic



point of view. But, since, of course, we cannot expect such a thing to happen in practice, it seems to me we are faced by a simple choice. Do we want these periodical bouts of mendacity on the part of the Chancellor of the Exchequer? Do we want to attempt to deceive about half the population all the time with promises of stable money which we know cannot possibly be kept? Or, on the other hand, do we want full employment and an adequate rate of economic growth? Both of these things have their own ethical attractions. It is bad to lie, it is also bad to condemn people to poverty—both these things are unethical. I am quite unclear as to where I would come down in the matter of ethics here, but it seems to me that we have a straight choice.

WARD-PERKINS: I think you have missed the point. A large number of people who form political opinion in this country are people who have an interest in stable prices. Trade union leaders themselves have, because they are in fact on fixed salaries. Business firms are probably among the greatest gainers from rising prices, yet they, fortunately for us, are not themselves consuming individuals, but are run by salaried managers who are interested in stable prices. All though the community, from the Prime Minister downwards, are key administrators on fixed incomes, keenly conscious of what it means to see prices going up. And that, I believe (despite these technical reasons why prices have risen in the post-war period), is why you have this tremendous feeling against inflation in this country which after all has the maturest economy in the world. Other countries too are moving towards the same managerial state of affairs, where the people with power earn salaries, not profits. It makes a lot of problems much easier. Indeed I might go further and doubt whether the abandonment of our present policy of full employment would be a vote-loser at the present time. I certainly agree that if you want a very severe degree of unemployment, that would be a vote-loser, but if we moved from the present situation to a position where we continually had about 3% unemployment, I do not think this would lose votes, because there are so many people who have an interest in stable prices and in an economy much more adaptable than our present economy.

WILES: Well, I do not agree that a deflated economy is more adaptable. A deflated economy is one in which there is very little investment. After all, not the shift of unemployed persons or persons threatened with unemployment from one trade to another, but the redirection of investment is the main means by which an economy adapts itself, and consequently I flatly disagree with the view that a deflated economy is more adaptable. Just the contrary. An economy is more adaptable if it has inflation, due to a high level of investment. The investment, of course, not the inflation, is what makes it adaptable.

WARD-PERKINS: But then it is assumed that any Liberal must be ready to accept some control over investment.

WILES: Control of the volume of investment?

WARD-PERKINS: Volume and character.

WILES: I do not agree that one should ever believe that the volume of investment should diminish. I find it extremely difficult in a non-communist country to imagine a state of affairs in which the volume of investment is anything like adequate to the needs of posterity, the needs of foreign policy, the needs of under-developed areas, etc., etc. I just cannot conceive such a state of affairs in a democratic country.

WARD-PERKINS: I think you are bemused by the very high level that has been achieved by control of the economy under certain circumstances. I understand that the level of investment even in Soviet Russia is now

falling. People have been excited by the high level of investment in Western Germany. This has been necessary because they have been adding to their working population. If you add by immigration, as Western Germany has done in the last six years, some 25% of the working population, you have got to give 25% more capital equipment to them. They need a high level of capital investment in Western Germany, but in a mature economy this is not necessary. What we require in this country is that the quality of our investment should be good, the quality and not the quantity.

MICKLEM: It is sometimes said that countries such as the United States have a higher level of unemployment than in this country, yet they seem to be able to achieve a higher rate of economic growth.

WILES: No, the United States has not a higher rate of economic growth than Western Europe as a whole, though she does often do better than Britain.

WARD-PERKINS: In the last three years, of course, she will have done worse, but not normally.

WILES: No, no. If you take it over any length of period, the United States has not a higher rate of growth. This is a popular fallacy. The American economy started from a very high level. It has always been much richer than we, but it has never *grown* more rapidly than we except, of course, during a major war. It is just a popular fallacy.

WARD-PERKINS: I think the rate of growth in this country in the post-war period has been satisfactory. In the last two or three years we have had to curb it for technical reasons.

WILES: I rather agree with this: strong technical reasons, only to be got round by radical changes in institutions.

WARD-PERKINS: If we can now move forward (this is the difficult problem to face in the national situation) I do not think we have done too badly in the post-war period. We have had a higher rate of growth than in the 1930s, and that was quite high too.

WILES: Not over all, only for the working population. We had a negative rate of economic growth per head of population in the 1930s, which was not satisfactory.

WARD-PERKINS: It is the quality that matters.

WILES: I do not agree that quality is a necessary ingredient in growth. It is a very simple proposition. What one wants is a lot of production per head. We want people to have a lot of things, even of the same old quality.

WARD-PERKINS: But in this country we have them; so it is the quality that matters.

MICKLEM: I want you to look at this point: if you say that your money is worth what in fact it is not worth, if you give it something other than its market value, all transactions based upon that fictitious value involving injustice to one party or another. For instance, with exchange control, if you say that the pound is worth 2.80 dollars and it isn't, you swindle the exporter whose dollars you snaffle. Vice versa, you swindle the importer if your money is worth more than you say it is. You cannot avoid swindling somebody.

WILES: Well, Micklem, I should apply the distinction the Jesuits make when they talk of economics, as they only too often do: between commutative and distributive justice. In the Protestant welfare states, one of which we inhabit, we tend to think of justice as being essentially or even exclusively distributive: chaps get what they ought to have in view of the kind of persons they are—they are fathers of families, they are unemployed, they are old-age pensioners, etc., etc. But commutative

justice is quite another kettle of fish. It is that one should receive the value of what one has actually done. Such things as the sanctity of contract, a fair day's wage for a fair day's work—these are the concepts involved in the general concept which the Jesuits put forward as commutative justice. Now it seems to me that you, Micklem, as an old-fashioned Liberal, if I may say so, are thinking almost exclusively of this, of commutative justice; and you have left out altogether those other items on which I, as a new-fangled inhabitant of the welfare state, have hitherto, and also wrongly, tended to concentrate, namely those matters exclusively of distributive justice. The fact remains that if you fiddle around with various rates of exchange for the pound you may get fuller employment than otherwise. In other words, the existence of various rates of exchange for the pound (let alone for the Argentine peso, and really if we were living in Argentina what you had said would seem very queer indeed) does as a matter of mere economic technique make fuller employment more possible.

WARD-PERKINS: But fuller employment in this country may involve exporting unemployment.

WILES: I do not think so. On the whole, as you surely know, if we get full employment here by expanding domestic demand, we increase the likelihood of full employment abroad. If we raise demand of a general sort inside the United Kingdom, then this will tend to slop over to foreign countries in the shape of smaller exports from this country and higher imports. If these various foreign exchange controls are used only to protect the expansion of home demand they can be defended as the necessary means whereby we help ourselves and foreigners too. One is only exporting unemployment if one imposes currency restrictions without having expanded home demand. Well now, the mere existence of these various rates of exchange, or of two prices for a commodity other than money, might have as its principal result fuller employment, or a higher rate of growth. That is to say, it might have as its general result a preferable state from the point of view of distributive justice. Now who are you as a merely non-Jesuitical theologian to tell me that commutative justice must always win the day?

MICKLEM: You haven't met my point that it is unfair that the importer or exporter in this country should be unjustly treated.

WILES: I have met your point. I have said: "Certainly they are unjustly treated, but so what?" There are other things involved. There are the unemployed.

MICKLEM: I think our present "full employment" is quite spurious.

WILES: Ah! Now this is very curious. It isn't spurious in the sense that the people who are fully employed are in some sense not fully employed. They are working and fully producing.

MICKLEM: Fully paid is what I should like to say.

WILES: This really will not do. They get good pay and they are also producing things, the volume of national output would diminish if they were sacked, etc. Therefore the present level of full-employment is not. . . .

WARD-PERKINS: I would like to return to this point of the value of a currency. What is the value of the pound as against the dollar? It isn't easy to work out. Every American knows that you can get for a pound in England more than you can get for 2.80 dollars in America. It is very important to realise that in this country such multiple exchange rates as we have are not used to exploit our position. They have been forced on the Government. I agree that they could get rid of them by a certain level of unemployment in this country, but nevertheless we did not

adopt multiple rates of exchange in order to better our position. When a Conservative Government came in who wanted to liberate the pound, they found it technically too difficult. Surely we can acquit them of wanting to exploit various exchange rates in order to defraud this person or that person. No one is defrauded who now buys convertible sterling. In Zürich he knows precisely the risk he takes. I do not feel any conscience at all if his speculation fails. The pound sterling is an international currency which finances three-fifths of the free world's international trade. That is quite a useful thing to do and it would not be able to do this but for those restrictions. If we did away with these restrictions and had a convertible pound, the result of this might well be that the pound sterling would be used less in international trade because we would have to have all sorts of other restrictions. We should have funded a great deal of sterling so that a large number of countries would find themselves with out international currency to trade with. I think this is a very important thing. The fact that the pound sterling is weak, is due to the fact that there is plenty of it in the world and countries can use it. If we made the pound harder by funding all the free sterling that is about, international trade would undoubtedly suffer.

WILES: But, Micklem, hasn't your point been that we may not be exploiting to our own advantage a system of variable exchange rates and other similar discriminatory techniques, but we *are* condoning them; so that other countries are more able in the climate of world opinion to use these techniques for methods which are less honourable?

WARD-PERKINS: Every country has accepted our position. We have moved steadily away from some 40 different sterling rates to three. Every movement has been toward more convertibility, though not only our economy but that of the world may be unable to afford full convertibility.

MICKLEM: One of the points you have not dealt with is my submission to you that, in view of the infirmities of politicians, it is an essential part of freedom and good government that the nation's medium of exchange should be based on the Gold Standard or by some other and better method somehow separated from the day-to-day policy of government, so that no longer is the value of the pound the plaything of politicians.

WARD-PERKINS: Even under the Gold Standard the value of the pound in terms of commodities varied between index numbers of 75 and 150. This is what happened in the nineteenth century, so whether it is the plaything of the politicians or not the value of money as against commodities is going to fluctuate. If you decide not to use this particular instrument of policy, then you are limiting your powers of control over monetary policy and the economic system. Now in the nineteenth century they deliberately sacrificed this control over the currency's domestic value in order to have a pound that was stable in terms of foreign currency. So in a sense even the Gold Standard was not a stable money policy. This was the decision of the 1844 Bank Charter Act, and this was probably all right in the context of a rapidly expanding situation. They got away with it because they did not have a great deal of permanent unemployment or a great deal of social dislocation. But it would be very much more difficult to do that now. I do not feel that we can just say we won't have any positive monetary policy, and that will leave it to the bankers to decide how much money to push out. This also would destabilize prices and it would needlessly hamstring ourselves, and other policies would be hampered also. You say you do not like the sacred cow of full employment, but it must be accepted as a political fact. Monetary policy is only

one of many forms of economic policy. There are other policies.

WILES: Would it not be equally valid to say it is a moral obligation on the Government to destroy the trade unions?

MICKLEM: That is a further question, isn't it?

WILES: Is it a further question? This is another way of helping to achieve the same end.

MICKLEM: You do not think the nation's currency should be separate from government policy as the judiciary from the executive. You don't accept that at all.

WARD-PERKINS: No, I simply cannot accept that.

MICKLEM: You are forgetting original sin in politicians. That is my point. You cannot trust them. Do not many of the world's troubles arise from the fact that politicians are playing with the value of the pound?

WILES: What about the original sin of the state of anarchy? It has to be demonstrated, it seems to me, not merely that there is original sin on the part of politicians and that this always tends towards inflation, but also that this is greater than the rather different kinds or original sin which we associate with *laissez-faire*.

MICKLEM: I am not defending *laissez-faire*.

WILES: Well, you are insisting upon the original sin of politicians and omitting all other kinds. You are in effect saying that the ill effects of *laissez-faire* are smaller. To myself they appear to be greater, by perhaps a short head, but greater.

WARD-PERKINS: Indeed it varies from issue to issue. It is not the same problem as in the Gold Standard, for instance.

WILES: Yes, the Gold Standard is the monetary policy of *laissez-faire*. The Gold Standard is just what we mean by *laissez-faire* in monetary matters.

WARD-PERKINS: I do not agree. I think that if you accept *laissez-faire* at home you leave a very rigid policy as regards your foreign exchange value. In a sense, monetary policy is a very good Liberal way of saying we will do it this way rather than doing it through direct controls, because I'm sure that the alternative to this would be direct controls. The Liberal must face up to the fact that we cannot allow absolutely free play on the market in every sphere. You have got to choose between controls at certain points. You might well argue that some control over money was far less autocratic than the kind of direct controls that one exercises over imports.

MICKLEM: I suppose we must now bring our discussion to a close. May I try to sum up? I think it was agreed amongst us that inflation involves a breach of implied contract, injustice and deceit, and only works so long as the people can be deceived. Generally, then, you accepted my first point. But in respect of my points two and three, you did not agree that a national budget must conform to the principles which are morally obligatory on a private or company budget. Again, you did not accept my suggestion that, in view of original sin, it is as necessary to separate the nation's medium of exchange from the day-to-day policies of governments as it is to separate the executive and the judiciary. Nor did you accept what I said about the arbitrary fixing of the value of the pound for different purposes. You hardly discussed my comment that our present currency is not honest money, but little more than a system of coupons.

The crux seems to me indicated in this sentence of Peter Wiles: "Two elements of deceit seem to me to be necessary consequences of the rise in prices, and the rise in prices in its turn would appear to me to be a necessary consequence of the deter-



mination to have full employment *and* economic growth *and* our present institutional set-up." Full employment and the services of the Welfare State cropped up again and again, it being claimed that inflation is necessary for both. I should venture to comment that we have nothing corresponding to full *productive* employment, nor can we have under a protective system. I should like to plead that Free Trade as a good neighbour policy is a moral as well as an economic issue. Further it is agreed, I think, that we are spending on the Welfare State (and administration and security) more than we can afford; it is done by inflation. I should like to urge that the distinction between the Welfare Society, which is a Liberal principle, and the Welfare State, is also a moral as well as an economic issue. You accept in general my criticism of inflation on moral grounds, but accept inflation asserting that certain other goods, such as "full employment" and the Welfare State, necessitate it. It is, I think, agreed that creeping inflation can only continue to creep while the public remains deceived. I should reckon that 3% or 4% annual inflation would mean roughly that in 20 years prices would be doubled and savings halved. You are really applauding politicians as if they were conjurers showing how long they can keep the balls in the air. This is somewhat impolitely stated, but indicates my concern that we should take the matter further.

## A COMMENT

By GEORGE ALLEN

THE disagreements between Dr. Micklem on the one hand and Mr. Ward-Perkins and Mr. Wiles on the other are only partly a matter of ethics. Both economists accept the argument that toleration or active support of inflationary policies leads directly to public and private deceit. Mr. Ward-Perkins goes some way in accepting the view, implicit in Dr. Micklem's arguments, that inflation increases exploitation; Mr. Wiles rejects it.

As would be expected from any two economists, they counter-attack by instancing other economic objectives which have strong ethical justification—full employment and, especially as far as Mr. Wiles is concerned, maximum economic growth. Inevitably, therefore, the central issue is how far full employment, stable prices and free trade unions can be reconciled.

The discussion has been too preoccupied with the consequential technical issues of the central question, particularly with the role of the money supply and with the fiduciary issue. Perhaps this is why the two economists have not sufficiently attempted to strike a balance between the needs to avoid both unemployment and inflation. The fundamental question is not whether we attain one end or the other, but how much of one must be sacrificed to attain so much of the other and what combinations of unemployment and price changes will maximize economic growth. But, before turning to discuss all this, something can be gained by more fully considering deceit and inflation as by-products of inflation.

Nowadays so many economists are afraid to make value judgments that they will often *appear* indifferent or insensitive to the moral issues raised by inflation—or worse still, by their default in argument, their



readers or audiences will not be brought to consider how closely economics and ethics are related. Most economic textbooks will not, even in a modest footnote, point out the moral disadvantages of inflation, although their factual symptoms will be noted. More particularly, perhaps because it is now rather middle-aged and in consequence conditioned by the unemployment of pre-war days, the economic and political Left seems to be extremely insensitive to the kind of issue Dr. Micklem has raised. One must rub in what has been said about deceit and exploitation by the participants in the discussion.

Something is wrong with the political attitudes which have allowed a situation to develop where post-war credits are simply a matter for musical hall jokes. Of course, it was a complete mistake ever to grant them: the war should have been financed entirely from taxation and voluntary loans. But a debt once contracted should have been honoured and its real value maintained, even if the debtor were foolish in contracting the obligation: there is no justification for regarding default as an expedient for limiting inflation. "Don't do as I do, do as I tell you" is the philosophy which many people attribute to politicians who preach the need for personal and public restraint in pressing one's own claims on society at the expense of others. The implication of this justified cynicism is that most people will follow and accept the standards of moral conduct set by the politician. "If the Government can default and cheat, why shouldn't I?", it will be said.

More discreditable than the treatment of post-war credits has been our behaviour over sterling balances. Although we have talked a great deal about fair shares and an equitable distribution of income in Britain, our default by inflation and by devaluation on debts owed to countries much poorer than ourselves is passively accepted by many thinking people who claim humanitarian political instincts. By any standard our failure to maintain the real value of our sterling liabilities to, say, India or Ghana is discreditable. We were quite content to buy Ghana's cocoa in 1950 and 1951 at the high prices then ruling: we should be prepared to give in return goods of equivalent real value.

My final example of deceit needs little elaboration. Consider what has happened to any married couple who retired ten years ago with savings, obtained by considerable effort and personal abstinence, of £1,000. There must be many such cases. By means of inflation the Government has since spent about half their savings, without their consent, on other people. They were never warned that this would happen. Indeed, our economic policies had been so organized for many decades that they provided an implicit undertaking by society to maintain the value of personal savings.

Deceit is morally wrong and, so far people imitate their government's actions and attitudes, inexpedient. But on both counts exploitation seems to me more serious. The failure to make a direct and strong attempt to control inflation has led to the adoption of various expedients to limit price rises at the expense of politically weak groups, and has meant the toleration, if not the positive encouragement, of every-man-for-himself and every-pressure-group-for-itself attitudes. Those exploited have known perfectly well what has been happening but, because they could do nothing about it or because to be exploited was the lesser of evils, they have accepted the situation, being not deceived but quite openly and predictably robbed.

Mr. Wiles is right to say that this country would exploit its bargaining power against Denmark in any circumstances. But in the late 1940s, when we were selling coal at the highest possible price, we ruthlessly took

advantage of the fact that alternative outlets for Danish bacon were then severely limited. We were grasping at any straw to limit inflation. Food subsidies could not be increased: a stable cost-of-living index was essential. The Danes had no votes in Britain, so we squeezed the price of their bacon. They knew perfectly well what was going on, but they were prepared to sell in Britain because it was, at least temporarily, the most profitable market. We, in the meantime, were willing to pay a much higher price for the same quality of British bacon.

Many people who save may be prepared to accept a low or even negative rate of interest, because their only way to provide for the future seems to be by acquiring paper claims to goods at some future date. Not everybody can directly own houses or other tangible assets nor, for that matter, equities. Yet the children of the married couple we have already mentioned will know perfectly well how their parents were fleeced. There is no need to cry "caveat emptor." Nevertheless, they will save and perhaps buy National Savings Certificates and other Government stock.

Rent control is another example of exploitation, influenced considerably by the link between the cost-of-living index and inflation. In many instances the beneficiaries, the tenants, have been richer than the victims, the owners (who include many elderly people owning each one or two houses saved for and bought before the last war to provide a retirement income, or having small shareholdings entirely in housing companies); the tenants have still had much of their working life before them and have been able to protect themselves against inflation. Of course many house-owners have been richer than their tenants, but this cannot hide the injustice done to other owners and, in any case, why subject one kind of property-owner to a form of discriminatory tax which other rich people have avoided? The failure to abandon rent control until 1958 and the cynically opportunist opposition to decontrol from the Left are two of the more unsavoury aspects of post-war politics.

Similarly, landowners who have not found a private purchaser or a local authority prepared to pay current market values (which can only be done in those rare cases where the purchase is financed from current revenue) but have been unfortunate enough to be forced to sell land under compulsory purchase, have received only 1947 values. There have been several reasons for the discrimination, including some muddled thinking on compensation and betterment, but an important one has undoubtedly been to limit public expenditure where it was most vulnerable. Some landowners have been exploited while society has been willing to pay others higher prices for land of equal value. Again, instead of deflating demand to bring our balance of payments into equilibrium, we have chosen discriminatory physical controls. So-called inessentials have been the victims of periodic abrupt restrictions of imports. Rather than spread the burden of adjustments as widely as possible we have often thrown them in an arbitrary and sudden manner on to people much poorer than ourselves, such as to the tomato producers of southern Italy and the fruit producers of the West Indies. Apparently, our charity begins at home and stays there.

I think we must proclaim from the roof-tops that inflation favours the charlatan, the smart-alec, the spendthrift, and those who either honourably or dishonourably can protect themselves most; it favours the young and middle-aged against the old, the strong against the weak, the pressure-group against the publicly more responsible.

And if inflation in this country ever should become runaway, the harm done to the more reputable sections of society would be even more severe.

As a people we are rather stolid and unimaginative, and are perhaps not so psychologically predisposed towards runaway inflation as some of the continental nations, but these characteristics may breed complacency. We certainly cannot make the comfortable assumption, and both Mr. Wiles and Mr. Ward-Perkins reject it without sufficiently accepting the implications of their rejection, that prices can go on rising continually at 3% or 4% per annum without the system completely breaking down. Like South Americans, we may learn to live with inflation, but one cannot be sure. The social damage of hyperinflation is too great. Perhaps the risk of a runaway situation is slight, even *almost* negligible, but it cannot be taken: the stakes are too high.

In the last ten years there has been a marked decline in public standards, of which tax evasion and increasing fiddling on expense accounts are proof. There are many reasons, but one is the lax behaviour of our rulers and politicians towards inflation. If the Government adopts one standard of behaviour and code of business conduct for itself can it really expect private firms and individuals to behave differently? This point, I presume, lies behind Dr. Micklem's point that a national budget is hardly morally defensible if it is constructed on principles which in the case of a family or company would be a breach of moral obligation. Perhaps the question is one of expediency rather than morals, but in either case Mr. Ward-Perkins and Mr. Wiles have not taken the point. They, with their training, can appreciate why a government might claim the right to act exceptionally within limits—under some circumstances. But can they expect other people, without their knowledge of economics, to appreciate the same sophistications? In some cases yes, such as in avoiding depression, but these are generally exceptions. A government must set an example in terms which people can understand, not in terms which they would understand if, heaven forbid, they were all trained economists. This is the case for repaying the national debt, even if in the process the nationalized industries were forced to borrow in the City and simply got the money the Government was repaying.

Mr. Wiles tells us that inflation is not only inevitable but essential if economic growth is to be maximized. In the process of refuting the second part of his contention I hope to show that inflation is by no means inevitable.

In the late 1930s and immediately after the war, when the world depression and the British experience of over 1,000,000 unemployed, generally much more, for more than 10 consecutive years after 1925 were fresh in everybody's mind, many economists argued that a persistently and slightly rising price level would encourage investment by businessmen who had become thoroughly slump-minded. Continual windfall profits and the declining real burden of money debts would, the argument went, make them more optimistic for the future. They would be prepared to invest to a greater extent than if prices were constant or falling—especially if, as a result of constant or falling prices, cost increases were matching increases in productivity and preventing a rise in profits relatively to other factor incomes. Moreover, it might be said, temporary recession would, from the financial point of view, be less unpleasant if occurring against the background of a rising price level: businessmen's confidence would be less undermined in these circumstances by temporary confounding of their past forecasts than if recession involved substantially falling prices.

These arguments seem singularly inappropriate today. If it had not been for the need to check the runaway tendencies of the recent inflation there would be no signs today that savings were running to waste. Savings are

generally so manifestly inadequate for the various demands (including those of the social services) that any possible cramping effect on businessmen which might accompany the end of inflation would be a blessing in disguise. In the last resort we cannot invest more than we are prepared to save.

The changes in the composition of and technical pressures on British management in the last 20 years also seem to make the arguments outdated. Before the last war British industry suffered from an educational system and a set of class distinctions which directed too many of the more able and enterprising people, especially from our universities, into the Civil Service and into the administration of colonial possessions. The muck was not spread widely enough. This is now all changed, except perhaps as far as a few decadent and declining industries are concerned. The consummation of the managerial revolution has been accompanied by a growing belief in the necessity for applied scientific and technological research and for technical progress if firms are to maintain their competitive positions. Perhaps some firms would prefer a quiet life, maintaining large, liquid reserves, but they are caught up in the mill-race. Then, the highly trained and widely educated top managements of the big companies that now dominate industry know that, even if we move a little from our present level of employment, governments will always be taking the necessary measures to maintain a progressive economy. Thus it is that many firms regard a slight recession as an opportunity for the more speedily carrying out long-term investment which will be profitable when once again business activity revives.

For these reasons—the shortage of savings, the changed characteristics of British management, the faith that governments will more or less maintain a prosperous economy—I cannot believe that inflation is necessary to maintain investment at the maximum level which can be sustained. Mr. Wiles may say that I have overlooked an important point: the high level of employment which accompanies inflation will permit a greater level of current output and, therefore, a greater volume of resources for investment than would be secured from the lower level of employment necessary to avoid inflation. He might even quote the restriction of output in the last two years as evidence.

The experience of the last two years (which incidentally may owe as much to fundamental structural lack of balance between the different parts of the economy as to lack of effective demand) should be ignored. It is the once-for-all price of moving from an inflation-prone economic system. Whether we must continually sacrifice output in order to prevent inflation depends in part on the level of unemployment necessary to achieve the desired effects on prices; but, above all, it will depend on whether businessmen and workers consider this level to be permanent or temporary. The “shake-out” I envisage will not come simply from a change in the economic climate which is regarded as only transitional.

For reasons that will emerge later, it can be assumed that, with about 2½% unemployment, wages will rise on average no more than productivity. Moreover, it is most doubtful whether the output from a given stock of labour and capital will be any greater if 99% of the labour force is employed than if the figure were *normally* 1% or 2% less. Inflation encourages wasteful hoarding both of capital and labour. If prices are rising, it pays to hold more stock than are absolutely necessary. When the demand for labour is normally expected to exceed supply (as during the last six or seven years) employers will hoard labour as a reserve for future developments. Similarly, and more important, extremely low

unemployment causes a fall in the average productivity of labour. The lower level of unemployment instanced above will mean a decline in working discipline, more absenteeism and unnecessary turnover of labour moving from job to job. Management will exert fewer sanctions: it will less easily be able to replace unsatisfactory employees (including some among its own ranks) and, with factories working to extremely full order books, it will feel more vulnerable to every stoppage and so continually will be the more prepared to accept poor work to avoid all possible conflict. Economists often query such arguments, but my own limited but close personal contacts with wage-earners suggests that, unless they belong to an extremely militant minority of trade unionists, they have no illusions. Finally, bottlenecks and a more irregular flow of work raise costs. Indeed, as long as labour is expected to be generally in extremely short supply it may be more readily allowed to persist in practices which constitute a permanent drag on the productiveness of new investment.

A much higher level of unemployment than the suggested  $2\frac{1}{2}\%$  would certainly cause a fall in output: labour would become increasingly ca'canny and restriction-minded; bottlenecks would be replaced by general surpluses of all factors of production and general excess capacity. Businessmen might well be deterred from maintaining investment. But at the  $2\frac{1}{2}\%$  level we may come close to avoiding both the wastes of "over-employment" and of "under-employment." This being so, the real need from the point of view of maximising growth is stability at this level of unemployment—a continuing balance between demand and national output, the avoidance of such short-term changes as to force windfall losses on businessmen and of alternating booms and slumps in the labour market, the booms setting off wage-price spirals and the slumps encouraging restrictive practices and ca'canny among labour.

But many eyebrows will have been raised by my suggestions that around  $2\frac{1}{2}\%$  unemployment will keep wage increases in step with those of productivity. Have I forgotten the power of the trade unions?

We are too prone to think that a trade union enters all wage conflicts with the same degree of backing from its members. This is wrong. The bargaining power of the unions varies precisely because the militancy of their members will change according to the issues. We can consider three main types of wage claim—cost-of-living claims, claims to maintain differentials, and claims which simply ask for more. The bargaining power of unions will vary from time to time as these three components change in relative importance in contributing to particular wage-claims.

Rank-and-file trade unionists are likely to be extremely militant if real wages fall due to a rise in the cost of living (say as a result of rising import prices, decontrol of housing, end of food subsidies or due to agricultural policy) and if changing relative wages between different occupations rouse them on the all important and touchy question of differentials. In the first case, non-unionists will be thought to be gaining, wrongly and unjustly, at the expense of union members, and in the other case particular unions or section of them will think they are being sacrificed at the expense of the rest of society, whether union or non-union. On both issues the rank and file will have such strong feelings that they will be willing to support a wage claim at some considerable sacrifice in order to maintain their position. In these circumstances, only a severe deflation will be sufficient to cow them.

The third important cause of wage demands is the built-in *Oliver-Twist* mentality of the unions—their persistence in asking for more. But because the extremely small band of active unionists puts in an annual wage claim,



perhaps for the reason that they can think of nothing better to do, we shall be mistaken if we assume that the rest of the members will always be prepared to support the claim with anything like the vigour, determination and sense of injustice which would inspire them in supporting wage-claims based on the cost of living or on differentials. The issues are not so important as when the wife is complaining that her house-keeping money is not going as far as it did or when there is apparently enough in the kitty to give a rise to workers in other occupations or industries. Why then undergo the inconveniences of a strike when more can be lost in a fortnight than can be recouped, even if the wage claims is ultimately successful, in over a year?

If employers are prepared to withstand any general wage claim not involving the cost of living or differentials, because there is not the excess demand to permit an easy adjustment of prices if the claim is conceded, and if their determination is obvious to their employees, it is likely that trade union leaders will be forced or even glad to recognise their members are not eager for a fight and that, in consequence, they will be moderate and conciliatory. In the October issue of the *Contemporary* Mr. Wiles suggested that the trade union movement may be, to some extent, a paper tiger. We can now see why.

Moderately deflationary monetary and fiscal policies, then, would not be successful once a wage-price spiral is under way, set off and maintained by cost-of-living changes. To this extent I agree with Mr. Wiles. It would have been possible to contain the inflation set off by the rising import prices after the 1949 devaluation and the Korean War stock-piling only by a severe deflation in which real output would have been severely reduced. However, if a period of price stability has been achieved and the wage-price spiral has completely or almost petered out, moderate deflation may be extremely effective. Then, barring some rise in costs due to a change in the terms of trade, the last two categories of wage-claims become the most important.

Given the institutional characteristics of the labour market, its inflexibilities and systems of national wage negotiations in most industries, a small general excess demand for labour, as in recent years, will not be spread evenly throughout the labour market, neither by occupations nor by regions. The excess demand will be concentrated on particular occupations and in a few regions, as now in the Midlands and Greater London. There wages will tend to rise considerably, so producing strong demands for increases elsewhere to keep in step. A small general excess demand for labour, by being concentrated on particular sections of the labour market, will cause large increases throughout. Equally, a moderate deflation, by lowering demand for labour in the "bottleneck" occupations and regions, can greatly reduce the rate of wage increases everywhere. (An important rider to this paragraph is that to the extent that we can lessen the geographical and occupational inflexibilities of the labour market the lower will be the amount of unemployment necessary to control the "differential-effect" on the course of wages.)

Oliver-Twist wage claims should be brought to modest proportions quickly as unemployment increases slightly. As long as unemployment does not become so great as to give edge to the now blunted class-war, union members will be content with small mercies rather than suffer the inconveniences of long strikes. (Of course, there will still be many strikes arising from bad industrial relations where wage-claims may be a pretext for a clash.) Employers will obviously be more willing to resist claims in these circumstances.



There is not time for detailed statistical support for my arguments. But, particularly when we allow for the effects of the cost-of-living rises following the 1949 devaluation and the stock-piling of the Korean War, and when we remember that of the restraining effects on wages of 2½% unemployment will be much greater if it is regarded as a norm and not a temporary departure from conditions of severe labour shortage, experience in the last 10 years does suggest that wage rates would prove much more responsive to the state of the market than has generally been thought. As this comment was being prepared, Professor A. W. Phillips published in *Economica* a detailed study, based on the experience of almost a hundred years, of the effects of changes in unemployment on yearly changes in wage rates. I am not surprised by the conclusion which emerges from his study: namely that if unemployment were maintained at slightly under 2½%, the annual rate of wage increase would be about 2%. Then, in the light of the experience of the last ten years and of the improvements in efficiency suggested earlier, the annual rise in productivity should generally be sufficient to absorb wage increases without either rising prices or falling profit margins.

Inflation, then, is not inevitable, and the price of avoiding it is less than is usually thought. But we must choose the right means. Certainly we must not be so preoccupied with the cash supply and fiduciary issue as Dr. Micklem appears to be. Restriction of money supply in the late 1940's and early 1950's would certainly not have prevented or even greatly limited inflation. True, as Mr. Ward-Perkins points out, if the cash supply had been restricted and money incomes had increased we should have been greatly inconvenienced. The existing volume of cash would have been turned over more quickly and there would have been a rapid development of cash substitutes (for example, a more extensive use of cheques). However, despite these expedients, restrictions of the cash supply would have forced the banks to look to their cash ratios (once they had run down their excessive holding of short-dates securities) and to restrict credit. But in the circumstances of those years the resultant deflation would have had no effect in checking the unions without severe unemployment, which no government would have tolerated. Wage increases might have been financed to some extent out of gross profits which should have been used for investment. That would have been equally unacceptable to any government so that, whatever its complexion, it would have increased the fiduciary issue to enable trade to carry on as conveniently as possible.

Nevertheless, in future it might be useful to limit the annual rates of increase of the fiduciary issue according to some clear and predetermined rules. The value of this policy would not be in any direct effects, but as a sign to the public that the Government was determined to control inflation. But this apart, preoccupation with the cash supply and fiduciary issue is to mistake symptoms for causes.

Perhaps I have been too optimistic. Perhaps a 2½% unemployment level would not completely prevent wages rising more rapidly than productivity. But, if so, the resultant annual increase in prices would not, on average, be great, probably not more than 1% per annum. Frankly, I cannot worry about that degree of inflation. Owing to the magic of compound interest, a 1% increase in prices yearly is markedly different from 3%, 4% or 5%: above all, it would not bring with it the risk of an ultimately runaway inflation.

We need not accept the view that inflation can only be conquered at the expense of growth. Indeed, the choice between evils is more tantalising, because a moderate deflation would probably not only prevent prices

rising but also increase the rate of economic growth. Are we then, because of the imperfections in the labour market and the anomalies in the structure of trade unions, to increase deliberately, albeit slightly, the level of unemployment?

The question must not be dismissed lightly as being reactionary. The hardships suffered by many people, especially the aged and elderly, through inflation in the last 20 years has been just as severe as would fall on others if unemployment were raised to what Lord Beveridge proposed as the full employment target in *Full Employment in a Free Society*. And the risks of runaway inflation, even if remote, cannot be ignored.

But I have lived with unemployment. If the trough of the 1930's slump had lasted six months longer, even in relatively prosperous Coventry, my grammar school education would have been ended when it had hardly begun and I should never have gone to a university. I do not know which is the lesser of evils: the heart and the brain are in conflict. Perhaps the theologian should have had the last word?

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